

## **Form ADV Part 2A**

### **Savvy Labs Client Brochure**

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#### **Item 1 – Cover Page**

This brochure (the “Brochure”) provides information about the qualifications and business practices of Savvy Labs Inc. (“Savvy Labs”), a registered investment adviser. Registration does not imply any level of skill or training, but only indicates that Savvy Labs has registered its business with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this Brochure, please contact us at (332) 238-4992 or [hello@savvylabs.com](mailto:hello@savvylabs.com). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

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

## **Item 2 – Material Changes**

Because, in connection with this filing, Savvy Labs is applying to the SEC for registration as an investment adviser, it has no previous Form ADV Part 2A brochures. For that reason, Savvy Labs has no material changes to report.

In the future, Savvy Labs will update its brochure (i) each year at the time it files its annual updating amendment and (ii) promptly whenever the material within its brochure becomes materially inaccurate. Savvy Labs will plan to either (i) provide its investors with an updated brochure that includes a summary of material changes within 120 days of the end of its fiscal year or (ii) provide each of its clients a summary of material changes that includes an offer to provide a copy of the updated brochure and information on how a client may obtain the brochure, in each case on an annual basis.

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## **Item 4 – Advisory Business**

### **A. General Description of the Company**

Savvy Labs is a corporation organized in the State of Delaware, with its principal office located at 4 World Trade Center, 29th Floor, New York, NY 10007. Savvy Labs was formed in August 2021 by David Mike and Justin Palma, who are its principal owners. Savvy Labs currently has no subsidiaries.

All employees at Savvy Labs are currently considered to be supervised persons, and they cover material functions such as investment advisory services, business operations, and compliance/risk functions.

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

This Brochure is meant to help you understand the scope and nature of the advisory services offered by Savvy Labs, whether the advisory services offered by Savvy Labs are right for you, and the potential conflicts of interest associated with Savvy Labs' services. You should review it carefully.

Savvy Labs uses proprietary technology (a website and marketplace known as the "Platform") and experienced investment professionals to provide its advisory services to institutional investors, including but not limited to corporations, partnerships, trusts, family offices, and foundations ("Institutional Users") and registered investment advisers ("Adviser Users," and together with the Institutional Users, "Users"). Through the Platform's offerings, Users are able to directly own securities that allow for customization of risks, exposures, and strategies provided by a variety of different institutional asset managers or index providers (hereinafter referred to as "Creators"). This allows Users to better meet their specific investment objectives in an efficient and cost effective way that may not be possible in traditional pooled investment vehicles and mass-marketed fund products.

Savvy Labs reduces costs and increases transparency for Users through its portfolio management, compliance, operational, and reporting services. Instead of Users opening multiple accounts directly with different Creators, incurring the expense and time to establish and maintain these accounts, Savvy Labs' Users are able to get the exact investment exposure they want across various asset classes, strategies, and Creators, all with just one account, requiring one onboarding process through Savvy Labs and its proprietary Platform.

Upon establishing an account on the Platform, Users are able to enter information regarding their investment objectives and goals through various filters contained within the search functionality on the Platform. Savvy Labs' proprietary technology takes this information into account and provides Users with access to a curated set of recommended "SAVVY

Blueprints” that are aligned with the User’s investment objectives and goals. Users may view and consider additional SAVVY Blueprints beyond those recommended to them and may direct Savvy Labs to implement and/or customize those SAVVY Blueprints if desired. Users are also able to receive investment advice directly through conversations with Savvy Labs’ investment professionals who are able to recommend SAVVY Blueprints and customization strategies.

Designed by a Creator, a SAVVY Blueprint is an investment strategy, which includes certain risk or exposure characteristics, based on a market thesis, along with a corresponding design of implementation. SAVVY Blueprints detail the securities holdings and their respective weightings for purchase needed to achieve the investment objective of the SAVVY Blueprint. Certain SAVVY Blueprints include rules-based methodologies for re-weighting of the composition of securities.

Unlike generic, broad, market-based portfolios or models, specific factors or market conditions may drive Blueprint creations, including but not limited to the shape of the yield curves, fundamental data, economic releases, and other market-based analysis. A SAVVY Blueprint may also contain rules detailing the parameters needed for the thesis to be considered complete or no longer viable or feasible in the market. Savvy Labs investment professionals can help to advise Users with respect to which of these parameters meet the User’s investment objectives.

In general, SAVVY Blueprints are dynamic and evolving and are not based on static or generic, broad, market exposure or allocations. Savvy Labs advises Users through its enhanced search functionality and technology tools on its Platform as well as through direct conversations with Users to help Users select and customize a SAVVY Blueprint that best meets the User’s investment objectives. Additionally, in order to ensure the recommendations continue to remain suitable, Users will be asked to reaffirm or update investment objectives information regularly or to confirm that there have been no changes in these regards.

Savvy Labs implements a User-selected SAVVY Blueprint, whether or not customized, by placing orders with designated third-party broker-dealers to implement allocations as outlined by the User-selected or -customized SAVVY Blueprint. The executed portfolio of positions, known as a “SAVVY,” is then held in a separate, segregated account, or unified investment account (“UIA”) owned solely by the User. Savvy Labs, as an adviser to the User, uses its proprietary software to continuously manage each User’s SAVVYs and UIA. Savvy Labs uses its discretion to manage the intended SAVVY Blueprint’s allocation percentages across assets, taking into account any customization(s) selected by the User, and directs the third-party broker-dealer to buy and sell securities in order to keep the SAVVY in line with its User-selected SAVVY Blueprint.

Each User will have a unique set of securities in its UIA based on the SAVVY the User owns. Because SAVVY Blueprints have an initial implementation of weighting and securities, a User implementing at a given time on a given day will have different weightings and securities than a User implementing at another time, even if on the same

day, as the weightings are changing and required reallocations occur for each User independently of any other User due to the natural course of market movements. Unless two Users instruct Savvy Labs to implement the same SAVVY Blueprint at the exact same time, in the exact same amount and without customization, no two SAVVYs will contain an identical set of underlying securities and weightings, and no two SAVVYs will achieve the same performance.

### *Creator Vetting Advisory Services*

Savvy Labs performs due diligence on each prospective Creator by reviewing various aspects of the Creator's business, including, but not limited to, the Creator's licensing, credentials, and market standing and assessing the Creator's area of expertise, historical risk/return characteristics, assets under management or advisement, years of business, reputation in the industry, and, where applicable, regulatory history. In addition, Savvy Labs will assess a Creator's business operations for operational risk and may screen for negative news regarding the Creator.

Once Savvy Labs has vetted a Creator and found the Creator to be an acceptable participant on the Platform, the Creator will be able to propose to Savvy Labs for publication on the Platform, SAVVY Blueprints and certain supplemental content, including but not limited to commentaries on the Creator's SAVVY Blueprints and their underlying strategy, general commentary on markets, the economy, and historical performance and biographical information about the relevant personnel at the Creator ("Creator Content").

A Creator will provide SAVVY Blueprints and Creator Content pursuant to a contractual arrangement between Savvy Labs and the Creator. Creators and their individual employees will not, based on the aforementioned contracts, become employees of Savvy Labs.

Because Savvy Labs, rather than the Creators, will act as an adviser to the Users with respect to content made available to the Users through the Platform, and because Users will not establish an advisory or contractual relationship with Creators solely by virtue of Users' usage of SAVVY Blueprints and consumption of Creator Content through the Platform, SAVVY Blueprints and Creator Content will contain prominent disclosures explaining that: (i) the creation and publication of a SAVVY Blueprint or piece of Creator Content does not establish an investment adviser relationship between a User and the Creator that devised the SAVVY Blueprint or Creator Content and (ii) as published in the first instance, the SAVVY Blueprint or Creator Content does not constitute investment advice and has not been tailored by a Creator to the needs or preferences of any User. Each SAVVY Blueprint will also contain a disclosure explaining that the Creator makes no statement, representation or recommendation to any User regarding the likely success of any SAVVY Blueprint or the suitability of such SAVVY Blueprint for any particular User.

Savvy Labs will continue to monitor Creators throughout the relationship to ensure they remain suitable Platform participants.

### *SAVVY Blueprint Advisory Services*

Prior to publication of a particular SAVVY Blueprint to the Platform, Savvy Labs will perform due diligence on the SAVVY Blueprint to confirm that the SAVVY Blueprint is “fit for purpose” and seems reasonably likely to meet the investment objectives set forth by the Creator. During the diligence process, Savvy Labs will assess key statistical metrics and data points and submit each SAVVY Blueprint to the Savvy Labs Investment Committee for final approval. If approved, Savvy Labs will include the SAVVY Blueprint on the Platform. Thereafter, Savvy Labs may recommend the SAVVY Blueprint to certain Users based on Savvy Labs’ interactions with and information received from Users about the type of risk, exposures, or strategies that the Users wish to implement to meet their investment objectives. Savvy Labs will also conduct due diligence prior to posting additional Creator Content on the Platform and will not publish the Creator Content if it is deemed inaccurate or misleading. All published SAVVY Blueprints will continue to be reviewed on an ongoing basis to confirm that they continue to stay “fit for purpose” and remain viable investment options in light of changing market conditions. In the event a SAVVY Blueprint is no longer a viable means of pursuing an investment thesis, Savvy Labs will remove the SAVVY Blueprint from the Platform and will advise existing investors with SAVVYs that track the removed SAVVY Blueprint so they may decide whether they would like to reallocate their investments.

A User may choose either to direct Savvy Labs to implement a SAVVY Blueprint as it has been designed or to implement a customized version of a SAVVY Blueprint. If a User elects to customize a SAVVY Blueprint, it may increase, decrease, or eliminate exposure to individual securities, sectors or risk factors. Once that choice has been made, Savvy Labs will implement the SAVVY Blueprint on behalf of the User. Implementation of the SAVVY Blueprint is done through sending orders to third-party broker-dealers through Savvy Labs’ automated order routing system. All broker-dealers used will have had to go through Savvy Labs’ third-party due diligence process and have been approved by the respective Savvy Labs internal risk committee.

#### *SAVVY Investment Management Advisory Services*

Once a SAVVY Blueprint is implemented by Savvy Labs, that investment portfolio becomes known as a (“SAVVY”). All underlying securities in that SAVVY are held directly by the User, in a separate and segregated UIA. A User may hold one or multiple SAVVYs in their UIA.

Savvy Labs provides continuous and regular supervisory and management services over its Users’ SAVVYs and the securities in the Users’ UIAs. In connection with these services, Savvy Labs uses its proprietary technology to assess whether the proportional allocation of the securities within a User’s UIA continues to be in line with the allocations set forth in a User’s chosen SAVVY Blueprint. In the event it is not, Savvy Labs will have the discretion to manage a User’s portfolio by directing the purchase and sale of securities to bring a SAVVY in line with the investment allocation strategy established by a SAVVY Blueprint and, ultimately, a User’s investment objectives.

Although Savvy Labs provides continuous supervisory and management services over all current portfolios in User's accounts, Users who invest in the same SAVVY Blueprint are not expected to have the same returns or results due to a variety of reasons including the timing of initial investment and other customization considerations. As the market moves, the weightings of each of the underlying securities for the Savvy Blueprint will shift, and, therefore, the subsequent managing activity conducted by Savvy Labs will also vary between different Users' accounts.

### **Summary of Savvy Labs Advisory Services:**

- **Vetting of Creators:** Savvy Labs conducts a due diligence review of each potential Creator, including to ensure that it has the proper licensing, credentials, and market standing and is well suited to publish materials on the Platform. For example, Savvy Labs may look at a potential Creator's assets under management and performance history, among other data points, and may screen for negative news regarding the potential Creator in an effort to ensure that the Creators who are permitted to craft and publish SAVVY Blueprints and Creator Content on the Platform are appropriate and sound. Only potential Creators who have been reviewed and approved by Savvy Labs will be allowed to publish to the Platform, and unsatisfactory potential Creators will not be granted access. Onboarded Creators are also continuously monitored to ensure that they continue to stay appropriate for the Platform.
- **Due Diligence of SAVVY Blueprints and Creator Content:** Upon receiving a proposed SAVVY Blueprint or Creator Content from an approved Creator, Savvy Labs will review and vet the SAVVY Blueprint and Creator Content using Savvy Labs' due diligence and approval process. During this process, Savvy Labs will review a range of information, with considerations including but not limited to whether the proposed security allocations of the Blueprints are reflective and consistent to the Blueprint strategy and Creator Content, whether there are securities proposed which Savvy Labs has restricted for trading for regulatory purposes, etc. Savvy Labs will endeavor to make certain that each proposed SAVVY Blueprint is "fit for purpose" and reasonable in structure for recommendation to Platform Users. Savvy Labs will submit each SAVVY Blueprint to the Savvy Labs Investment Committee for final approval.
- **Individualized Recommendations to Users:** Based on information received from a User, including through the use of investment objective-related filters and from conversations between Users and Savvy Labs' investment professionals, Savvy Labs' proprietary technology will provide individualized recommendations to Users. These recommendations will be comprised of a curated list of SAVVY Blueprints that may fit the User's investment goals and objectives. Savvy Labs investment professionals will also be available to provide recommendations with respect to SAVVY Blueprints that suit a User's investment objectives and goals. A User will then be able to have further conversations with Savvy Labs directly to discuss strategies, recommendations, or customization of a SAVVY Blueprint. Once a SAVVY Blueprint has been selected and customized, if necessary, Savvy Labs will



implement the SAVVY Blueprint by directing a broker-dealer to purchase securities in line with the User's selected or customized SAVVY Blueprint. In order to ensure the recommendations continue to remain suitable, Users will be asked to update investment objectives information regularly or to confirm that there have been no changes in these regards.

- **Ongoing portfolio management services:** Savvy Labs' proprietary technology allows for the continuous and efficient management and monitoring of each portfolio. When Savvy Labs identifies that a SAVVY has departed from allocation parameters established by a SAVVY Blueprint, Savvy Labs will effect purchases and sales of securities and assets as necessary for the implementation of a SAVVY Blueprint through the placement of buy or sell orders with approved third-party broker-dealers.

### **Additional Services**

Savvy Labs is in the process of formation and the information provided herein describes the advisory services that Savvy Labs expects to provide. Savvy Labs is in the process of developing potential additional business lines and will amend this Brochure with a description of such additional services as appropriate. Any material changes to the information contained herein will be provided in an updated Brochure, which will be filed within 120 days of Savvy Labs' registration with the SEC.

Savvy Labs does not provide financial planning services or tax advice to Users.

## **Item 5 – Fees and Compensation**

Users pay three types of fees to Savvy Labs (each a “User Fee”) in connection with use of the Platform and investments in SAVVYs. The types of User Fees are: 1) a Platform Fee, 2) a SAVVY Fee, and 3) a Customization Fee. In addition, Creators will pay Savvy Labs a fee for hosting SAVVY Blueprints on the Platform.

### **Platform Fee**

Savvy Labs will charge Users a Platform Fee in exchange for access to the Platform. In addition, this fee will cover maintenance and operation of the Platform. These fees will be negotiated between Users and Savvy Labs and will typically range from 0.05% to 0.25% per annum, based on the value of the assets held in the UIA, and may vary based on the composition of a User’s SAVVYs and the asset classes held in custody, along with other related factors.

### **SAVVY Fee**

Savvy Labs will charge Users a SAVVY Fee for the implementation of the SAVVY Blueprint, in addition to other advisory services provided by Savvy Labs to the User, such as investment recommendations, ongoing monitoring and portfolio management of a UIA and its SAVVYs on a User’s behalf. Savvy Labs will administer a User’s UIA, which includes services such as the arrangement of custodial, reporting and tax services, and the provision of line-by-line transparency of the portfolios in the User’s account. The SAVVY Fee will typically range from 0.05% to 2.50% per annum and will be calculated on the value of the assets held in the UIA in respect of a particular SAVVY. In addition, the SAVVY Fee will vary between SAVVYs based on the Creator Content, the underlying asset classes or securities, and the type or complexity of the SAVVY Blueprint which would ultimately drive the level of effort and proprietary technology solutions needed to create and maintain the SAVVY Blueprint. Part of the SAVVY Fee collected by Savvy Labs will be provided to the respective Creator for their creation of the SAVVY Blueprints, which may offset their Creator Fee (Creator Fees described below). The amount of the SAVVY Fee paid to the Creator for SAVVY Blueprint creations will depend on various factors such as the complexity of the SAVVY Blueprints.

### **Customization Fee**

Savvy Labs will charge Users a Customization Fee for alterations to a SAVVY Blueprint. The Customization Fee will range from 0.05% to 0.15%, on an annualized basis, based on the value of the assets for each corresponding customized SAVVY Blueprint, held in the UIA. The Customization Fee will vary based on the complexity and level of customization made to the SAVVY Blueprint, as determined in accordance with the Users’ specifications that are communicated to Savvy Labs. Savvy Labs retains the right to waive the Customization Fee at its sole discretion.

### **Creator Fee**

Savvy Labs will charge Creators an administrative and onboarding fee for each SAVVY

Blueprint the Creator develops for the Platform (the “Creator Fee”). This is a flat fee that may range between \$500 to \$10,000 per SAVVY Blueprint. Savvy Labs reserves the right to waive the Creator Fee in its sole discretion. In the event that the Creator Fee has been waived, this will be disclosed on the Platform, along with any potential conflicts of interests. Additional information regarding the treatment of conflicts of interest is included below. (See Item 11, “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.”)

### **Fee Calculation**

Savvy Labs uses an average daily balance calculation to calculate the Platform and Advisory Fee, SAVVY Fee and the Customization Fee on a daily basis.

### **Fee Processing**

Savvy Labs sends an invoice to the Users’ UIA custodian and each custodian may have different procedures but will typically earmark the UIA directly and remit payment to Savvy Labs automatically on a weekly basis.

### **Wrap Fees**

Savvy Labs does not participate in wrap fee programs or charge its customers wrap fees.

### **Additional Fees**

The User Fees are not inclusive of all fees charged to a UIA. The following list provides additional fees or expenses which may be charged and administered by third parties (“Additional Fees”). Additional Fees are not charged by Savvy Labs, and Savvy Labs does not receive, directly or indirectly, any portion of Additional Fees. The Additional Fees may include:

- Brokerage commissions
- Stock loan fees
- Interest charges
- Transaction fees
- Exchange fees
- SEC fees
- Advisory fees charged by Adviser Users to their clients
- Advisory fees, management fees, or administrative fees charged by mutual funds or exchange traded funds (“ETFs”)
- Early redemption fees and penalties
- Custodial fees
- Deferred sales charges
- Transfer fees, including wire fees and electronic fund processing fees
- Taxes
- Markups or markdowns on security transactions
- Processing fees and other fees charged by custodians
- Other additional fees that are to be incurred

Savvy Labs is in the process of formation and the information provided herein describes the fee structure that Savvy Labs expects to adopt. Any material changes to this information will be provided in an updated Brochure which will be filed within 120 days of Savvy Labs' registration with the SEC.

**Item 6 – Performance-Based Fees and Side-By-Side Management**

Savvy Labs and its supervised persons do not charge performance-based fees.

## **Item 7 – Types of Clients**

As indicated above, Savvy Labs clients will include Institutional Users and Adviser Users. Each group of clients is discussed in greater detail below.

As a general matter, each User must initially invest a minimum of \$50,000 to open an account with Savvy Labs. This minimum can be waived by Savvy Labs in limited cases, such as when a User has multiple SAVVYs, in which case Savvy Labs may decide to lower or waive the minimum to accommodate cross-SAVVY allocations. Any waiving or lowering of this minimum will need to follow the predetermined fee schedule which will be applied to all Users.

It is important to note that while Users may decide to terminate their relationship with Savvy Labs at any time, there may be certain situations in which Savvy Labs will initiate account closures for User accounts. This would generally be due to regulatory or compliance concerns. Savvy Labs may also be notified by a regulator to freeze, suspend, or close an account.

Client interactions with Savvy Labs can occur directly through the Platform, via email, verbally, or in person. All information collected from and about Clients will be maintained confidentially, with strict controls in place. Policies, such as the Savvy Labs Privacy Policy which can be found on Savvy Labs' website, and Savvy Labs' internal Client Confidentiality Policy, Written Communications Policy, and Code of Ethics, as well as email surveillance and training, ensure that Savvy Labs employees and contractors are all complying with this requirement.

Savvy Labs' discretionary investment authority relates to buying, selling and managing the allocation of securities within a User's SAVVYs. All Users are offered the same services and will have the same set of SAVVY Blueprints made available to them. Recommendations with respect to SAVVY Blueprints will be determined based on the information a User inputs into the search tool.

### **Savvy Labs' Advisory Clients**

#### **Institutional Users**

Institutional Users are sophisticated institutional investors such as corporations, partnerships, trusts, family offices, foundations, etc. Institutional Users identify, select and customize SAVVY Blueprints that meet specific criteria relating to their own investment objectives.

#### **Adviser Users**

Adviser Users are other registered investment advisers who are investing in SAVVY Blueprints on behalf of their own end clients. Adviser Users identify, select and customize SAVVY Blueprints that meet specific criteria relating to the investment objectives as determined by the Adviser User on behalf of its clients. An Adviser User may manage

many UIAs on behalf of its clients and will need to select and customize, as necessary, SAVVY Blueprints which are appropriate for its clients. Each Adviser User will search for SAVVY Blueprints based on its clients' investment objectives and goals.

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

### **A. Methods of Analysis and Investment Strategies**

Savvy Labs recommends to its Users SAVVY Blueprints that represent a large variety of investment strategies involving a variety of asset classes. These SAVVY Blueprints are formulated and submitted to the Platform by Creators.

Savvy Labs performs due diligence on prospective Creators by reviewing various aspects of their business, including, but not limited to, a Creator's area of expertise, historical risk/return characteristics, assets under management or advisement, years of business reputation in the industry, and, where applicable, regulatory history. In addition, Savvy Labs will assess a Creator's business operations for operational risk. (See Item 4, "Advisory Business.")

Prior to publication of a particular SAVVY Blueprint to the Platform, Savvy Labs will perform due diligence on the SAVVY Blueprint to confirm that the SAVVY Blueprint is "fit for purpose" and seems reasonably likely to meet the investment objectives set forth by the Creator. During the diligence process, Savvy Labs will assess key statistical metrics and data points and submit each SAVVY Blueprint to the Savvy Labs Investment Committee for final approval. Given that each SAVVY Blueprint takes various factors into consideration, such as the shape of the yield curve, fundamental data, economic releases, and other factors to determine how a strategy, risk, or exposure is expected to evolve over time, each due diligence review may involve the assessment of different data points, although the overall objective due diligence standards will remain the same. (See Item 4, "Advisory Business.")

Prior to recommending a SAVVY Blueprint to a User, Savvy Labs will assess each SAVVY Blueprint to determine its investment category and strategy. Recommendations to Users will be based on the search criteria that the Users input into the Platform, which enables the recommendations to be responsive to Users' investment objectives. Users' specifications around investment goals and objectives are captured both through a questionnaire, which Users will be prompted regularly to update and make current, and also through the search functionality on the platform by selecting the relevant filters for their investment goals. Recommendations and advice will be provided directly from the Platform, and can also be discussed in direct communication between the Users and Savvy Labs' experienced investment professionals. (See Item 4, "Advisory Business.")

Savvy Labs provides its Users investment recommendations regarding suitable SAVVY Blueprints. Once a User has selected a SAVVY Blueprint and identified any customizations needed, Savvy Labs will direct the purchase of securities in order to implement the selected strategy through a third-party broker-dealer. Once the securities are included in a User's UIA, Savvy Labs will provide ongoing portfolio monitoring and will adjust the securities within a User's UIA on a discretionary basis to align the UIA with the strategy established by a SAVVY Blueprint. Savvy Labs will recommend new SAVVY Blueprints to Users



based on a review of any changes in their investment objectives.

Additionally, through the Platform, Savvy Labs provides Users with various content and tools necessary to analyze SAVVY Blueprints in deciding whether to follow the Savvy Labs recommendation, as well as analytical data on the implemented SAVVYs, allowing Users to more easily access their investment position information across one or more SAVVYs implemented in one or more UIAs, with one or more custodians. This level of information transparency allows Users timely access to updated information about the positions of their investments made through Savvy Labs.

## **B. Material Risks**

Savvy Labs cannot guarantee any level of performance or that any User will avoid a loss of assets when investing capital in a SAVVY. To the extent a User requests customization of a SAVVY Blueprint that includes different securities or a different degree of exposure than recommended by Savvy Labs, the User understands and agrees that such investments may be inconsistent with the User's preferred SAVVY Blueprint and Savvy Labs' recommendations as they relate to the User's investment goals and objectives. If the User does not provide sufficient, timely or accurate information to Savvy Labs, or if the User chooses not to follow Savvy Labs' recommendations and advice, the User's investments may not perform in accordance with the User's present investment objectives.

An investment in a SAVVY involves substantial risks, including, but not limited to, those described herein. There can be no assurance that a SAVVY will achieve an associated SAVVY Blueprint's investment objective or that there will be any return of capital, and investment results may vary substantially on a monthly, quarterly or annual basis. **Any investment in securities, including those contained within a SAVVY, involves the possibility of financial loss that a User should be prepared to bear.**

Prospective investors should consider carefully, among other factors, the risks described below. Such risk factors are not meant to be an exhaustive listing of all potential risks associated with an investment in a SAVVY on the Platform. Additional risks and uncertainties that we are unaware of, or deem immaterial, may also become important factors that adversely impact Savvy Labs' business or User investments.

*General Market Risks.* All securities investments, including investments in securities reflected in a SAVVY, present a risk of loss of capital. Volatile financial markets increase that risk. Market declines, such as a recession or other prolonged downturns in investment markets, may adversely affect Users' investment performance.

*Investment Advice Risk.* Savvy Labs does not guarantee the results of any investment advice given to clients. All investing involves risk, and Savvy Labs makes no assurances that the investment objectives of any offered SAVVY Blueprint will be achieved. Although SAVVY Blueprints and associated SAVVYs offer diversified portfolio strategies, there is no guarantee that any particular asset allocation or mix of investments will provide a specified

return or meet Users' investment objectives. Furthermore, Savvy Labs bases its investment advice on information self-reported by clients. As such, Savvy Labs' services are highly dependent on receiving accurate information from clients, and Savvy Labs does not independently verify the accuracy or completeness of client-provided information on the client's investment objectives and goals. If clients provide Savvy Labs with inaccurate information or fail to promptly update information provided to Savvy Labs when it changes, the quality of Savvy Labs' advisory services and the applicability of Savvy Labs' recommendations to a User's present circumstances could be adversely impacted.

*Investment Performance Risk.* If a Creator's evaluation of an investment opportunity should prove incorrect, the investment could experience losses as a result of a decline in the market value of securities in which the SAVVY Blueprint directs a long position or an increase in the value of securities in which the SAVVY Blueprint directs a short position. SAVVY Blueprints may call for such investment techniques as margin transactions and short sales, and will use leverage, which practices can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the investment may be subject. The risk management techniques that may be contemplated by a SAVVY Blueprint do not provide any assurance that the related investments will not be exposed to a risk of significant investment losses. No guarantee or representation is made that a SAVVY or SAVVY Blueprint will be successful or achieve its targeted returns, or that there will be any return to Users of capital invested in a SAVVY. In addition, investment results may vary substantially over time.

*Investment Judgment.* The profitability of a SAVVY Blueprint depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments as well as the timing of the investments. There can be no assurance that a Creator will be able to predict these price movements accurately. It is possible that different Users who invest in the same SAVVY Blueprint, even without any customization, may achieve different financial results, based on a difference in the timing of investments made. Because Creators may have different strategies for how to achieve a particular investment thesis, Users who allocate assets to different Savvy Blueprints, based on Savvy Labs' recommendations, may have different performance results. In each instance, however, the investment recommendation will relate to a SAVVY Blueprint that underwent Savvy Labs' due diligence process and that Savvy Labs has found to be fit for purpose.

*Software Risk.* Savvy Labs delivers its services primarily through software. Consequently, Savvy Labs rigorously designs, develops and tests its software extensively before putting such software into production with actual client accounts and assets and periodically monitors the behaviors of such software after its deployment. Notwithstanding this rigorous design, development, testing and monitoring, it is possible that such software may not always perform exactly as intended, especially in certain combinations of unusual circumstances. For example, there may be occasions where User UIAs may not be realigned to the initial target allocation for extended periods of time, due to certain errors in the deployment of the software. Savvy Labs continuously strives to monitor, detect and correct any software that does not perform as expected or as disclosed.

*Cybersecurity Risks.* With the increased use of technologies such as the internet and the dependence on computer systems to perform necessary business functions, investment platforms such as the Platform and its service providers may be prone to operational and information security risks resulting from cyberattacks. In general, cyberattacks result from deliberate attacks, but unintentional events may have effects similar to those caused by cyberattacks. Cyberattacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial-of-service attacks on websites, the unauthorized release of confidential information and causing operational disruption. Successful cyberattacks against, or security breakdowns of, a User's UIA, a Creator, Savvy Labs, or other third-party service providers may adversely impact the securities in a User's UIA.

*Equity Securities.* A SAVVY Blueprint may direct investments in equity and equity-related securities, including, without limitation, equity investments acquired in connection with restructured debt securities or instruments, or in connection with reorganizations and/or restructurings of debt securities, equity securities or other obligations and assets of undervalued, operationally challenged and/or financially troubled companies or institutions. A risk of investing in a SAVVY is that equity securities directed by the SAVVY may decline in value. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments.

*Derivative Instruments.* A SAVVY Blueprint may potentially call for the utilization of leverage via the use of instruments such as options and other derivative instruments. The value of a derivative depends largely upon price movements in the underlying asset; hence many of the risks applicable to trading the underlying asset are also applicable to the derivatives of such an asset. In addition, there are a number of other risks associated with derivatives trading, such as increased exposure for the SAVVY, exposure to liquidity risks and counterparty risks. A SAVVY Blueprint may direct investments in options, which can provide a greater potential for profit or loss than an equivalent investment in the underlying asset and may involve different risks than investing directly in the underlying asset.

*Futures Contracts.* The value of futures depends upon the price of the instruments, such as commodities, underlying them. Futures contracts may be called for by a SAVVY Blueprint to manage currency and general market risk. The prices of futures contracts are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, as well as national and international political and economic events and policies. In addition, investments in futures contracts are also subject to the risk of the failure of any of the exchanges on which a SAVVY's positions trade or of its clearinghouses or counterparties. Futures positions may be illiquid because certain exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day, no trades may be executed at

prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent Savvy Labs from promptly liquidating unfavorable positions in a User's SAVVY and subject the User to substantial losses or prevent Savvy Labs from entering into desired trades on the User's behalf. In extraordinary circumstances, a futures exchange could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such a contract.

*Forward Trading.* Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. For example, there are no requirements with respect to record-keeping, financial responsibility or segregation of customer funds or positions.

In contrast to exchange-traded futures contracts, interbank traded instruments rely on the dealer or counterparty being contracted with to fulfill its contract. As a result, trading in interbank foreign exchange contracts may be subject to more risks than futures or options trading on regulated exchanges, including, but not limited to, the risk of default due to the failure of a counterparty with which a User has a forward contract. Failure by a counterparty to fulfill its contractual obligation could expose a User to unanticipated losses. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with unusually wide spreads between the prices at which they were prepared to buy and those at which they were prepared to sell. Disruptions can occur in forward markets due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to a lower volume than that which a SAVVY Blueprint would otherwise recommend, to the possible detriment of a User. Market illiquidity or disruption could result in significant losses to a User.

*Diversification Risk.* A SAVVY may contain a limited number of positions (both long and short) at any given time. As a result of such lack of diversification, a significant loss in any one position may have a material adverse effect on the net asset value of the SAVVY and the SAVVY's rate of return. A SAVVY investment portfolio may become concentrated in one industry, sector, strategy, country or geographic region, and such concentration of risk may increase the losses suffered by the SAVVY. It could also become concentrated in a limited number or types of financial instruments, which could expose the SAVVY to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those financial instruments.

*Hedging.* A SAVVY Blueprint may include a strategy for engaging in hedging. This would require Savvy Labs to engage in a variety of hedging transactions on a User's behalf, including those with derivatives, options and swaps. Hedges can be more difficult to implement than many other types of transactions, and the possibilities for errors may be greater than for other transactions. Additionally, there is no guarantee that these hedging transactions will prevent losses to a User. The success of a SAVVY Blueprint's hedging strategy will be subject to the Creator's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a SAVVY Blueprint's hedging strategy will also be subject to Savvy Labs' ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. In addition, hedging transactions may result in poorer overall performance for a User than if no such hedging transactions were executed. Moreover, Savvy Labs may determine not to hedge against, or may not anticipate, certain risks. Finally, a SAVVY Blueprint may expose an investor to certain risks that cannot be hedged, such as credit risk (relating both to particular investments and counterparties).

*Short Sales.* Short selling involves selling securities that may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss. A short sale involves the risk of a theoretically unlimited increase in the market price of the security. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. As a SAVVY Blueprint may call for Savvy Labs to utilize borrowed money with respect to a User's account as part of its strategy, the User also could be forced to close out a short sale prematurely as a result of an increase in margin requirements, coupled with an inability to provide the required additional margin on short notice. In addition, short sellers are subject to the risk of a "short squeeze." A short squeeze is a situation in which the short seller is prematurely forced out of a short position. The lender of a security used to cover a short generally has the right to demand the return of the security that has been loaned at any time. If a lender were to demand the return of securities that Savvy Labs borrowed on a User's behalf, Savvy Labs, acting on a User's account, would be required to replace the borrowed securities by borrowing identical securities from another lender. If Savvy Labs was unable to replace the borrowed securities on the User's behalf, it would be required to close out the short sale by buying identical securities in the market in order to make delivery. In such an event, a User could incur significant losses if the securities sold short had increased in value.

*Leverage/Interest Rate Risks.* A SAVVY Blueprint may require the use of leverage in its investment strategy. The use of leverage can substantially increase the market exposure (and market risk) to which a User's portfolio may be subject. Trading on leverage will

result in interest charges or costs and, depending on the amount of leverage, such charges or costs could be substantial. The level of interest rates generally, and the rates at which Savvy Labs can leverage a User's account in particular, can affect the operating results of the strategy. A SAVVY Blueprint's anticipated use of short-term margin borrowings results in certain additional risks to Users. For example, should the securities pledged to brokers to secure an investor's margin accounts decline in value, such account could be subject to a "margin call," pursuant to which Savvy Labs, on the User's behalf, would be required either to deposit additional funds with the broker or to suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of a User's UIA assets, then Savvy Labs, acting on behalf of the User, might not be able to liquidate assets quickly enough to pay off the User's margin debt. This may lead to losses in the User's account.

*Dependence on Occurrence of Events.* The ability to realize a profit on certain SAVVYs may be dependent upon the occurrence of certain events, for example, the bankruptcy, sale, or successful reorganization of a company. If the event that the applicable SAVVY Blueprint is expecting to occur does not occur, a User may sustain a significant loss.

*Institutional Risks.* The Custodian will have custody of the Users' assets. Certain assets held by the Custodian will be exposed to the credit risk of the dealers, brokers and exchanges through which the Custodian deals, whether the Custodian engages in exchange-traded or off-exchange transactions. These firms and/or financial institutions, regardless of how large or well-capitalized, may encounter financial difficulties that impair the operating capabilities or the capital position of a User's account. If the Custodian were to become bankrupt or insolvent, it is possible that a User's account would be able to recover only a portion, or in certain circumstances, none of its assets held by such a bankrupt or insolvent entity.

To the extent that Savvy Labs invests in swaps, derivative or synthetic instruments, or other over-the-counter transactions, including forward contracts, or, in certain circumstances, non-U.S. securities, on a User's behalf, the User may be exposed to credit risk with respect to the parties with whom Savvy Labs trades and may bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions, which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

*Convergence Risk/Relative Value Strategy Risk.* A SAVVY Blueprint may call for the pursuit of relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued. In the event that the perceived mispricing underlying a SAVVY's trading positions were to fail to converge toward, or were to diverge further from, relationships expected by the Creator, a User may incur a loss.

*Price and Liquidity Fluctuations of Investments.* It is expected that SAVVYs will be composed of investments that have a daily tradable market. However, the market value of a User's SAVVYs may fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of financial markets, developments or trends in the securities markets and the financial condition of the issuers of the securities in which a User, through Savvy Labs, invests. During periods of limited liquidity and higher price volatility, Savvy Labs' ability to acquire or dispose of securities in a User's UIA at an advantageous price and time may be impaired. As a result, in periods of rising market prices, Savvy Labs, on a User's behalf, may be unable to participate in price increases fully to the extent that it is unable to acquire the desired positions quickly. Savvy Labs' inability to dispose fully and promptly of positions in declining markets may cause a User's net asset value to decline as the value of unsold positions is marked to lower prices.

*Stock Market Volatility.* Stock markets are volatile and may decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Different parts of the market and different types of equity securities may react differently to these developments. For example, small cap stocks may react differently than large cap stocks. Issuer, political or economic developments may affect a single issuer, issuers within an industry, sector or geographic region, or the market as a whole.

*Risk of Operations/Liquidity Risks.* Although the securities that Savvy Labs may acquire on a User's behalf will in many cases be traded on public exchanges, each exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it difficult or impossible for a Savvy Labs to liquidate a User's positions and would thereby expose the User to losses. In addition, some of the securities in which Savvy Labs may invest on a User's behalf may be thinly traded, potentially making it difficult for Savvy Labs to dispose of a position at the time or price desired. Moreover, in periods of extreme market volatility, the bid/ask spreads for some securities that ordinarily are liquid may widen, making it difficult or undesirable to sell the securities. Furthermore, if a User elected to withdraw a substantial amount from their capital accounts as of the end of a given fiscal year, Savvy Labs might be forced to close out existing positions at a time when it was disadvantageous to do so. There can be no assurance that the trading markets will remain liquid enough for a User to close out existing positions at any time there is a need to do so. Additionally, there are inherent risks to the algorithms used by Creators to construct a SAVVY Blueprint as well as the software Savvy Labs uses to rebalance SAVVYs which could result in loss of capital.

*Options.* Investing in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset, or any combination thereof.

*No Operating History.* Savvy Labs is newly formed and hence does not presently have any operating history or proven technology. The SAVVY Blueprints offered on the Platform

may consist of new products that have no performance history. Savvy Labs may also face intense competition, often from established companies.

*Reliance on Creators.* The Creators exercise control over how SAVVY Blueprints should be constructed. The success of a SAVVY will thus, to a large degree, be dependent upon the expertise of each SAVVY Blueprint's respective Creator.

There can be no assurance that a User's investment objective will be obtained, and no representation to the contrary is made by Savvy Labs herein or elsewhere. Prior to entering into an agreement with Savvy Labs, a User should carefully consider: (1) committing to management only those assets that the User believes will not be needed for current purposes and that can be invested on a long-term basis; (2) that volatility from investing in the stock market can occur; and (3) that over time, the value of the User's assets can fluctuate and at any time be worth more or less than the amount invested.

**THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS ASSOCIATED WITH AN INVESTMENT IN SECURITIES COMPRISING A SAVVY. SUBSTANTIAL ADDITIONAL RISKS MAY BE PRESENT IN CONNECTION WITH AN INVESTMENT IN THOSE SECURITIES COMPRISING A SAVVY. AN INVESTMENT IN THE SECURITIES COMPRISING A SAVVY COULD RESULT IN A COMPLETE AND TOTAL LOSS. PROSPECTIVE CLIENTS OF ADVISER USERS SHOULD CONSULT WITH THEIR OWN ADVISERS BEFORE DECIDING WHETHER TO INVEST IN THE SECURITIES COMPRISING A SAVVY.**



### **Item 9 – Disciplinary Information**

Savvy Labs and its management personnel have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's or prospective client's evaluation of Savvy Labs' advisory business or the integrity of Savvy Labs' management.

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

Savvy Labs is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of Savvy Labs are registered representatives of a broker-dealer.

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

Other than those relationships described herein, there are no relationships or arrangements that are material to Savvy Labs' advisory business.

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

*Code of Ethics.* Savvy Labs has adopted a Code of Ethics (the “Code”) which is reasonably designed to ensure it meets its fiduciary obligations to Users and to detect and prevent any violations of securities laws. The Code sets forth a standard of business conduct and compliance with federal securities laws by Savvy Labs’ employees as required under Rule 204A-1 of the Investment Advisers Act of 1940, as amended. The Code includes general requirements that all employees comply with their fiduciary obligations to Users and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest, and confidentiality of client information. All Savvy Labs’ employees receive a copy of the Code when hired and will receive any subsequent amendments to the Code. Users and prospective Users may request a copy of the Code by contacting Savvy Labs at the address or telephone number listed on the first page of this document.

*Investments by Savvy Labs employees in SAVVY Blueprints.* Savvy Labs’ employees are generally permitted to invest in accordance with any SAVVY Blueprint offered on the Platform, subject to restricted trading lists. Savvy Labs requires periodic reporting of employees’ personal securities transactions and holdings, pre-clearance of personal trades in certain circumstances, including purchases of a single name security listed on the S&P 500, an IPO, or a new private placement, and prompt internal reporting of Code violations to the Chief Compliance Officer. Employee investments in Savvy Blueprints will generally be on terms substantially similar to those offered to Users.

*Blackout Periods.* As Savvy Labs conducts due diligence reviews of Creators’ proposed SAVVY Blueprints before they are available on the Platform, certain employees involved in this due diligence are subject to more restrictive trading prohibitions. This includes blackout periods, restricted trading lists, pre-clearance requirements, and ongoing monitoring to ensure that employees are not acting on the information they have received through their employment at Savvy Labs.

*Material Non-Public Information.* Savvy Labs has established procedures to prevent the abuse of material, non-public information (“MNPI”), which include procedures for, among other things, the use and maintenance of restricted trading lists. Because Savvy Labs’ internal structure would make information barriers impractical, Savvy Labs has not imposed information barriers to restrict the internal flow of possible MNPI. Thus Savvy Labs’ employees are deemed to be in receipt of MNPI in all instances where any employee has received MNPI, and, therefore, may not trade on the basis of that information.

### ***Potential Conflicts Relating to Advisory Services***

Savvy Labs may engage in a broad range of activities. In the ordinary course of conducting its activities, the interests of a User may conflict with the interests of Savvy Labs, other

Users or their respective affiliates. Savvy Labs, as a fiduciary to its clients, carefully manages any perceived or actual conflicts of interest that may arise in relation to its advisory services. Certain of these conflicts of interest, as well a description of how Savvy Labs addresses such conflicts of interest, can be found below.

In the case of all conflicts of interest, Savvy Labs' determination as to which factors are relevant, and the resolution of such conflicts, will be made in Savvy Labs' best judgment and in its sole discretion. In resolving conflicts, Savvy Labs will consider various factors, including the interests of its Users with respect to the immediate issue and/or with respect to their longer-term courses of dealing.

*Investment Positions.* We manage each Savvy in accordance with each User's investment objectives and goals. The results of our investment activities for each User may differ significantly from the results of other Users. The advice Savvy Labs provides with respect to each User may compete or conflict with the advice provided to another User due to the fact that SAVVY Blueprint recommendations are based on individualized investment goals and objectives or because SAVVY Blueprints developed by different Creators may feature different theses related to the same investment objectives. For example, we may buy or sell positions for one User while we undertake the same or different, including potentially opposite, strategy or position for another. The purchase, holding or sale of assets in a Savvy by one User may enhance or reduce the profitability of another User's SAVVY.

The implementation of different SAVVY Blueprints, customization of SAVVY Blueprints or the necessity of reallocating a SAVVY pursuant to a SAVVY Blueprint may adversely impact, or in some instances may benefit, one or more affected Users, including Users which pay us higher fees. For example, a User may buy a security and another User may establish a short position in that same security. The subsequent short sale may result in a decrease in the price of the security that the other User holds. Similarly, transactions or investments by one or more Users may have the effect of disadvantaging the values, prices or investment strategies of another User.

When we implement for one User a SAVVY Blueprint ahead of, or contemporaneously with, a similar SAVVY Blueprint for another User, market impact or other factors could result in one or more Users receiving less favorable trading results, the costs of implementing such SAVVY Blueprint could be affected, or such Users could otherwise be disadvantaged.

*Fees.* There are instances in which Savvy Labs pays certain Creators a lower fee. For example, an Adviser User may also be a Creator and, therefore, the fees it pays as a User are partially or fully offset by the fees it receives from Savvy Labs for its role as a Creator. Similarly, Savvy Labs receives fees from Creators related to supporting the management of their SAVVY Blueprints on the Platform, but it also pays fees to Creators for the Creator Content and SAVVY Blueprints. These arrangements may create conflicts of interest with respect to Users. Specifically, Savvy Labs may have an incentive to recommend a SAVVY Blueprint to a User where Savvy Labs pays a lower fee to the Creator and thereby retains a

larger portion of the SAVVY fee. This arrangement can create a financial incentive for Savvy Labs to recommend certain Creators or specific SAVVY Blueprints over others that may be more suited to a User's needs and goals. Savvy Labs will address this conflict by recommending SAVVY Blueprints based on the search selections provided by the User. More specifically, the recommendations provided by the Platform will be based solely on the search requirements input by the Users based on its investment strategy. (See Item 5, "Fees and Compensation, under SAVVY Fee and Creator Fee.")

Savvy Labs may waive or reduce the fees collected from its User and Creators. A potential conflict of interest may arise based on giving more preferable rates solely based on relationship or other financial interests Savvy Labs may have with the User or Creator. However, this is addressed by Savvy Labs maintaining an objective fee schedule which will be applied across Creators and Users, which will only consider objective measures, including for fee waivers. Additionally, all conflicts will continue to be disclosed appropriately in Savvy Labs' ADV Brochure.

*Third-Party and Vendor Relationships.* As the senior management team at Savvy Labs is largely composed of individuals with many years of financial services experience, the selection of third-party vendors and business partners, such as banks and custodians, as well as broker-dealers, may be based on prior business relationships including investments in Savvy Labs. Therefore, there is a potential conflict of interest in that Savvy Labs may select third parties with whom management has preexisting relationships. This could impede Savvy Labs' ability to provide the best investment advice and execution to its Users.

Savvy Labs is in the process of formation and the information provided herein describes the practices, policies and procedures that Savvy Labs expects to adopt. Any changes to this information will be provided in an updated Brochure, which will be filed within 120 days of Savvy Labs' registration with the SEC.

## **Item 12 – Brokerage Practices**

User transactions are sent directly to a custodian that conducts brokerage activities, as selected by the User.

Savvy Labs will, by policy, seek to obtain “best execution” on behalf of its Users. As an additional control measure, Savvy Labs maintains policies and procedures to review the quality of trade executions, including periodic review of the custodian’s execution capabilities. Savvy Labs may consider a number of factors as part of its review, including, for example, net price or spread, financial strength and stability, volume/capacity, market access, efficiency of execution and error resolution, and the size of the transaction.

In using a custodian to effect transactions, it should be noted that Users may pay transaction costs in an amount greater than would be incurred if another broker-dealer were used.

Generally, Users may direct brokerage to a specified broker-dealer of their choice; and all brokerage transactions will then be executed through such broker-dealer. If a User wants to use a particular broker, it must agree in writing that such directed brokerage arrangements limit Savvy Labs’ ability to seek best execution and participate in aggregated trades (as described below) and therefore may result in increased cost for such User.

In general (and when applicable), Savvy Labs attempts to aggregate multiple orders for the purchase or sale of the same instrument into block transactions, subject to the overall obligation to achieve the best price and execution for Users.

Savvy Labs currently has no third-party soft dollar arrangements in place with any broker-dealers to receive research or brokerage services. Savvy Labs does not seek or receive client referrals from any broker-dealers and does not consider client referrals in selecting or recommending broker-dealers, nor does it intend to do so for the foreseeable future.

### **Item 13 – Review of Accounts**

Savvy Labs conducts reviews of User accounts on a continuous basis to manage securities within a SAVVY along with any customizations in a User's SAVVY Blueprint. In addition, a review of a User's account may be triggered by any suspicious or unusual activity or special circumstances.

Savvy Labs provides Users with continuous access to the Platform regarding information about account status, Creator Content (including information from Creators regarding the ongoing viability of a previously published SAVVY Blueprint), securities transactions, portfolio allocations, securities positions, and balances. At any point in time, Users can review the performance status of their SAVVY investments on the Platform and determine if the SAVVYs are meeting the User's investment objectives. Users can also have direct conversations with Savvy Labs about investment strategies.

Savvy Labs will remind Users to keep their investment profile up to date. Users are required to update their investment profile at least on an annual basis and they will also need to input their investment strategies and goals into the search tool in order for the Platform to generate the appropriate recommendations for SAVVY Blueprints.

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

Savvy Labs and its related persons do not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to Users.

Savvy Labs and its related persons do not directly or indirectly compensate any person who is not a supervised person for client referrals.



## **Item 15 – Custody**

Savvy Labs may be deemed to have custody under SEC rule 206(4)-2 (the “Custody Rule”) over User accounts because of its ability to deduct advisory fees from such accounts. User assets will be maintained with a qualified custodian that is not affiliated with Savvy Labs. To the extent that Savvy Labs exercises discretion with respect to rebalancing a User’s SAVVY, Savvy Labs will do so pursuant to an authorized trading arrangement that does not permit Savvy Labs to obtain possession over, or otherwise have custody with respect to, such User’s funds or securities. Users will receive an account statement at least quarterly from the custodian. Users are encouraged to carefully review such statements and to compare such official custodial records to the reports that are available on the Platform. The reports on the Platform will allow Users to see their positions, number of SAVVYs, transactional history, and other material information for each account. Additionally, account and tax statements, along with trade confirmations can also all be accessed directly from the Platform,

#### **Item 16 – Investment Discretion**

Savvy Labs will provide discretionary advisory services to Users pursuant to an advisory agreement. Such services will include the recommendation of relevant SAVVY Blueprints based on the Users' investment objectives and investment goals. Through the continuous monitoring of User accounts, Savvy Labs may use its discretionary authority to determine when rebalancing is necessary to achieve allocations specified by a User-selected SAVVY Blueprint. The trades of securities within a SAVVY to achieve realignment of asset allocations are effected by placing orders through third-party broker-dealers, all with the use of its proprietary technology for automated order routing. Users may revoke the discretionary authority they have provided to Savvy Labs at any time.

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

Savvy Labs will not accept authority to and will not vote proxies on behalf of its Users. In addition, Savvy Labs will not provide any advice or recommendations regarding how the proxies should be voted. Users will receive proxies and other solicitations directly from the custodian of the Users' accounts and may respond to them as they see fit.

### **Item 18 – Financial Information**

Savvy Labs does not require or solicit prepayment of advisory fees six months or more in advance.

Savvy Labs does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its Users.

Savvy Labs has not been the subject of a bankruptcy petition at any time during the past 10 years.