



# **Atomic Invest LLC**

## **Form ADV Part 2A**

**October 2023**

This brochure provides information about the qualifications and business practices of Atomic Invest LLC (“Atomic” or the “Adviser”). If you have any questions about the contents of this brochure, please contact us at (650) 204-1524 and/ or [support@atomicvest.com](mailto:support@atomicvest.com). The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.

The Adviser is an investment adviser registered with the SEC under the Investment Advisers Act of 1940. Registration does not imply any certain skill or training. Additional information about the Adviser is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Table of Contents

Item 1: Material Changes	3
Item 2: Advisory Business	3
Types of Advisory Services and Investments	3
Assets Under Management	7
Item 3: Fees and Compensation	7
Item 4: Performance-Based Fees and Side-by-Side Management	8
Item 5: Types of Clients	8
Item 6: Methods of Analysis, Investment Strategies and Risk of Loss	9
Method of Analysis	9
Investment Strategies	9
Risk of Loss	10
Item 7: Disciplinary Information	13
Item 8: Other Financial Industry Activities and Affiliations	13
Item 9: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	14
Item 10: Brokerage Practices	14
Broker Selection	14
Research and Other Soft-Dollar Benefits	15
Brokerage for Client Referrals	15
Directed Brokerage	15
Aggregating Trading for Multiple Client Accounts	15
Cross Trades	15
Item 11: Review of Accounts	15
Item 12: Client Referrals and Other Compensation	16
Item 13: Custody	16
Item 14: Investment Discretion	16
Item 15: Voting Client Securities	16
Item 16: Financial Information	17

## Item 1: Material Changes

This Brochure is the Adviser's Other Than Annual Update to reflect the change in name from Helium Advisers LLC to Atomic Invest LLC and the update in Chief Compliance Officer to Katie Makstenieks.

## Item 2: Advisory Business

Atomic Invest LLC ("Atomic" or the "Adviser") is a limited liability company incorporated under the laws of the state of Delaware on February 9, 2021 and is a registered investment adviser with the U.S. Securities and Exchange Commission. AtomicVest Inc. and Atomic Group LLC each own 50% of Atomic.

### Types of Advisory Services and Investments

Atomic uses proprietary algorithmic-based technology to provide discretionary asset management services to its clients utilizing the internet, through an online platform and mobile phone application. In certain cases, Atomic may act as a sub-adviser to a third-party investment adviser.

Atomic provides Discretionary Portfolio Management over the internet through an online platform and mobile application. Atomic generates a recommended portfolio based on client responses to a suitability questionnaire ranging from conservative to aggressive investment strategies. Atomic manages portfolios based on its algorithmic analysis of the information provided by clients, unless a client elects to override Atomic's recommendation or otherwise customizes the portfolio.

Atomic's Discretionary Portfolio Management service includes the discretion to buy and sell securities on behalf of its clients. There is no minimum account balance required, and Atomic will monitor your portfolios on an ongoing basis using its proprietary algorithms. Atomic may trade on behalf of clients in accordance with a client's risk tolerance or other information provided in the questionnaire, and Atomic will periodically rebalance account positions to agree with targeted allocations and risk levels. Clients may choose to impose certain restrictions on their account, such as environmental, social or governance related restrictions, or individual security restrictions, which may be provided at account opening or at any time thereafter at no additional cost.

The Adviser utilizes its online interface to collect investment criteria and other information through a questionnaire (the "Questionnaire"), including but not limited to information regarding a client's financial situation, goals, objectives, and risk tolerance, to determine a suitable investment strategy within the Adviser's model portfolio offerings. The Adviser's algorithmic-based technology analyzes a client's responses to the Questionnaire to recommend a portfolio of equities, bonds and/or mutual funds/exchange traded funds (collectively, "Funds") that are suitable based on the client's targeted risk profile and other financial objectives. The model portfolio recommendation is solely based on client responses to the Questionnaire and algorithmic analysis of any transactions and excess cash in linked bank accounts, where applicable.

The client has the option to override the Adviser's model portfolio recommendation and choose one of the other model portfolios offered by the Adviser. In addition, at any time, a client may also choose between the model portfolios recommended by Atomic, or the client may customize the recommended portfolio by increasing or decreasing the target allocation to a particular security. Clients can also choose from a list of securities and other investments and request specific allocations to each. These actions may

initiate an adjustment in the client's holdings. For more information on the types of model portfolios offered by Atomic, please see Item 8, Investment Strategies.

Clients may update their risk profile at any time by updating the responses to the Questionnaire, which can be accessed through Atomic's online platform or through the mobile phone application. At a minimum, a client will be prompted to review and/or update the responses to the Questionnaire annually. Client assets are used to purchase the securities that align to the client's corresponding target asset allocation within the recommended portfolio or client-selected portfolio. As a client deposits or withdraws funds from his or her account, purchases and/or sales of securities are initiated to rebalance the account in line with its target allocation. Atomic's algorithms will also rebalance a client's Account if the investment allocations deviate from the model portfolio in excess of certain thresholds established by Atomic or as otherwise specified by the client. The Adviser will seek to execute any such transactions promptly, however each account is managed in accordance with the proprietary algorithmic-based technology, which analyzes the trading markets to optimize the timing of trades. Atomic will utilize its discretion in determining the timing of any purchases, sales, or reallocations.

In addition, Atomic reserves the right, at any time and without notice, to delay or manage trading in response to market instability. Atomic delays or manages trading when it determines it is appropriate to respond to extraordinary circumstances of market instability, as evidenced by extreme instances of elevated localized volatility (i.e., minute-to-minute spikes in implied volatility), insufficient or unstable market depth, price dislocation, incomplete execution, fast markets, and rapidly widening bid-ask spreads. In the event that Atomic delays placing orders in response to extraordinary market volatility for greater than sixty consecutive minutes during Atomic's typical trading hours, Atomic will seek to provide clients with a notice of such delay. For the avoidance of doubt, Atomic does not delay or manage trading based on any view about whether markets are likely to rise or fall.

Subject to each client's agreement with the Adviser (the "Investment Advisory Agreement"), client assets will be invested in equities and fixed income securities and unaffiliated exchange traded funds ("ETFs"), as applicable to the selected model portfolio or client customized portfolio. After the initial client investment, a client may choose to participate in the Smart Contributions Services. As a participant in Smart Contributions Services, a client will authorize the Adviser, through its proprietary algorithmic-based technology, to analyze the client's bank account transactions for excess cash and the Adviser will make recommendations to the client for amounts to be invested initially and periodically, subject to the client's approval. A client may disable the Smart Contribution Service at any time upon one (1) business day notice to Atomic through the online platform or the mobile phone application, however any transactions in progress will be completed and cannot be revoked. Atomic will rely on information from the client's third-party banking institution. If inaccurate information is provided to Atomic by a third-party banking institution, such as an incorrect bank account balance amount, this could cause Atomic to over or under withdraw amounts from a client's bank account. If Atomic overdraws from a client's bank account, the client may incur overdraft fees from the third-party banking institution. This also could result in market exposure that is greater or less than the client's desired investment exposure in the Account. Moreover, the timing of such transactions will also depend on the speed in which such third-party banking institutions process such transfers.

Clients are given the opportunity to modify their recommended or individually-selected portfolio in a number of different ways. First, a client may customize his or her portfolio as described above. Second,

they can choose to have the Adviser apply Environmental, Social or Governance (“ESG”) considerations when building their portfolio. The Adviser will implement the ESG overlay while maintaining the client’s target risk profile and will substitute or increase allocations to companies that have certain environmental and social characteristics while avoiding investments in other businesses that don’t meet Atomic’s ESG criteria. The strategies will provide clients with the ability to select certain ESG screens that will be applied to the client’s portfolio. ESG screens may be selected upon account opening or any time thereafter for no additional charge by providing an election to Atomic through the online platform or mobile phone application and selecting the desired ESG screens. Clients who choose to apply any ESG screens to their portfolio may underperform portfolios within the same risk profile that have not applied the ESG screens. In addition, clients can restrict equity investments in certain issuers. For example, a client may choose to restrict investments in securities issued by the client’s employer. This option can be useful for example, for clients who are restricted in purchasing their employer’s stock or if the client desires to limit the economic exposure to a particular company. Once the portfolio of stocks, bonds and/or Funds is determined based on the Questionnaire and client preferences, and modifications, the Adviser’s algorithms will manage each client’s portfolio seeking to track their target risk portfolio.

It is the client’s responsibility to update the Questionnaire through the online platform or the mobile phone application when a change is desired and/or the restriction(s) is (are) no longer wanted by the client.

Atomic also offers investment management services for corporate treasury management. Atomic may provide this service to its corporate clients on a discretionary or non-discretionary basis. For any non-discretionary arrangements, Atomic will need to obtain the client’s approval prior to executing any transactions on behalf of your account. The client may decline to implement any advice provided by Atomic on a non-discretionary basis. The minimum account balance for this service is negotiable, as are the aggregate asset-based fees.

Atomic also provides tax-loss harvesting services to clients. Tax-loss harvesting is a technique designed to help lower a client’s taxes while maintaining the expected risk and return profile of the client’s portfolio. It harvests unrecognized investment losses to offset taxes due on the account’s other gains and income by selling a security at a loss to accelerate the realization of capital loss and investing the proceeds in a security with closely correlated risk and return characteristics. The realized loss can be applied to lower your tax liability and the tax savings can be reinvested to grow the value of your portfolio. Tax-loss harvesting is available to all clients who choose our recommended portfolios. It is also available to clients who customize our recommended portfolios.

Clients should understand that Atomic has discretion to limit or postpone tax-loss harvesting to prioritize other trading activity on any given day, including days where extreme market conditions may produce higher price volatility or higher trading volumes. The tax-loss harvesting algorithm is designed to reduce the potential for wash sales, but is not designed to constitute, and does not, provide comprehensive tax advice to clients. Clients are solely responsible for the determination of whether, and when, to enable these features in their accounts, as well as any tax consequences arising from any transaction associated with these features.

Atomic Invest LLC (“Atomic”) will enable users to engage in tax loss harvesting for an account when the Client has elected to participate in this optional service. Tax loss harvesting is primarily a strategy designed to minimize the capital gains tax, and its benefit depends entirely on an individual’s financial

circumstances. **In providing this service Atomic will use your income if provided or a default tax rate, which will be 22% for short-term and 15% for long-term capital gains.** This tax rate may or may not correspond to a Client's individual tax rate. The benefits of the tax loss harvesting service can result in the potential reduction of an investor's tax liability but will depend on the Client's entire tax and investment circumstances, which are not known to Atomic. Please consult with your personal tax advisor to determine whether tax loss harvesting, including the default tax rate provided, is a suitable strategy for you, given your individual circumstances.

Atomic does not provide: (i) comprehensive financial planning services, and its services are not a complete investment program as they do not take all of a client's financial and other considerations into account when recommending a model portfolio; rather Atomic's recommendations are limited based on the information provided by the client through the Questionnaire and algorithmic analysis of any cash flows in linked bank accounts, where applicable; (ii) tax, accounting or legal advice; or (iii) custody of your Account assets. You are encouraged to consider additional asset classes, strategies and investments to supplement the investments maintained in your account and to consult with your tax advisor regarding any tax consequences related to your account.

#### Wrap Fee Program

The discretionary investment management services are offered through a wrap fee program (the "Atomic Wrap Fee Program") described herein and the Adviser's wrap fee program brochure (the "Wrap Fee Program Brochure"). The Adviser is the sponsor and portfolio manager for the Atomic Wrap Fee Program. As described above, Atomic uses its proprietary algorithms to evaluate a client's risk profile to recommend a model portfolio that is designed to meet the client's investment objectives and risk tolerance. Client accounts will be managed in accordance with that client's selected model portfolio or customized portfolio. Atomic will use its algorithms to monitor client account performance on an ongoing basis and periodically rebalance each portfolio as required by changes in market conditions, additions or withdrawals in a client's account and/or a change in a client's financial circumstances.

In general, wrap fee programs allow clients to pay a single fee (the "Wrap Fee") which covers advisory fees, trading commissions, fees for brokerage and other administrative and advisory services provided by an investment adviser or the custodian. Clients are generally not charged separate fees for each component of the total services. Clients will be responsible for certain transaction execution fees and costs. See Item 12: Brokerage Practices. Because wrap fee program advisers typically absorb client transaction fees, an incentive exists to limit trading activities in the wrap fee account. Depending on the wrap fee account, clients may also pay more for using a wrap fee program than they would for using non-wrap fee program services.

Clients will be required to open a custody account with Pershing LLC (the "Pershing" or "Custodian") who will serve as the "qualified custodian" for all client accounts. Through the Investment Advisory Agreement, clients will authorize Atomic to open an account with Pershing. Pershing, an SEC-registered broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation, provides custody, clearing, and settlement services for clients, as well as other support services for the Atomic Wrap Fee Program. The Investment Advisory Agreement will set forth the terms and conditions of the services provided and the inclusion of the client's account in the Atomic Wrap Fee Program. When clients enter into an Investment Advisory Agreement with Atomic, the client grants

Atomic discretionary authority to manage his or her account under the Atomic Wrap Fee Program. Discretionary authorization allows Atomic to determine the specific securities and the amount of securities to be purchased or sold for the account without a client's approval prior to each transaction. Pershing will exercise no discretion in determining if and when trades are placed. Discretionary authority is granted by the Investment Advisory Agreement and the appropriate trading authorization forms. Clients may limit Atomic's discretionary authority (for example, limiting the types of securities that can be purchased or sold for their account) by updating their profile by accessing their account online or through the mobile phone application.

### Assets Under Management

As of May 31, 2023, the Adviser managed approximately \$8,661,325 in Regulatory Assets Under Management ("RAUM") on a discretionary basis and approximately \$1,342,669,953 in RAUM on a non-discretionary basis.

### Item 3: Fees and Compensation

Atomic's standard investment advisory fee for each strategy is 1.00% per annum based on the aggregate net asset value in the client's account, though it may vary by client. For corporate treasury investment management services, Atomic's standard fee is generally based on the aggregate net asset value in the client's account. The more money you invest with us the more fees you will pay; therefore, we have an incentive to encourage you to increase your assets in your account. The investment advisory fee also includes custody fees and transaction commissions. Clients will be responsible for certain transaction fees and costs. For more information, see Item 12: Brokerage Practices.

The annual investment advisory fee will be accrued daily and collected monthly in arrears or if a client terminates his or her account before a month end, the investment advisory fee will be prorated. Investment advisory fees will also be collected when processing withdrawal requests that will result in not enough assets in the account to pay any fees that are due at the time of the withdrawal. In the event a client account does not include a cash balance adequate to pay any account fees, Atomic will sell client assets without notice to the client to pay any such account fees. Investment advisory fees will be based on the market value of the securities using an independent pricing source, including any cash in the client's account at the end of each business day, as of the close of trading on the New York Stock Exchange or as of the immediately preceding close of the NYSE for days when the NYSE is closed. The Adviser may reduce or waive its fees without notice to, or adjust fees for any client. The specific methodology used to charge fees is set forth in the Investment Advisory Agreement between the client and the Adviser. As part of the Investment Advisory Agreement, clients will be asked to provide written authorization for the Adviser to invoice its investment advisory fees directly to the Custodian so that the Custodian can remit payment to the Adviser. For more information on the Custodian, please see Item 15: Custody.

Investment advisory fees payable to Atomic do not include all of the fees a client will pay. Clients will also be responsible for fees charged by any Funds held within a client's account. These fees are set forth in the applicable fund's prospectus and are deducted from a fund's net asset value. If you are utilizing another adviser, you will be responsible for any fees charged by that adviser in addition to the investment advisory fees payable to Atomic.

## Item 4: Performance-Based Fees and Side-by-Side Management

Atomic does not charge performance-based fees. Investment advisory fees are only charged as discussed in Item 5: Fees and Compensation and as otherwise provided in the Investment Advisory Agreement between the client and Atomic.

## Item 5: Types of Clients

Atomic's clients are expected to include individuals, high net worth individuals, retirement plans, trusts, estates, bank trust funds, charitable organizations, non-profit organizations, registered investment advisers, and other business entities.

There is no minimum amount required to open or maintain an account with Atomic. Atomic reserves the right to increase or decrease the minimum account size in its discretion.

Clients who seek the algorithmic investment advisory services provided by Atomic should consider the differences in the digital nature of the services and how they are delivered. Accordingly, clients should note the following:

- The Adviser provides its services through an online platform and mobile phone application. This means that all clients must acknowledge their ability and willingness to conduct their relationship with the Adviser on an electronic basis. Under the terms of the Investment Advisory Agreement each client must agree to receive all account information and account documents (including documents that are required to be delivered for regulatory purposes), and any updates or changes to the same, through their access to the Adviser's website and the Adviser's electronic communications. The Adviser's investment advisory service, and all signatures on account-related agreements, such as the Investment Advisory Agreement and all documentation related to the advisory services, are all managed electronically. The Adviser generally does make individual representatives available to discuss servicing matters with clients.
- The Adviser's algorithms are designed to tailor investment advice to each client's specific circumstances. To provide suitable investment recommendations, the Adviser collects information from each client through the Questionnaire. It is possible that the Questionnaire may not capture every circumstance that may be material to a client's personal circumstances. When determining the recommended model portfolio for the client, the Adviser relies on the information it solicits and is otherwise provided by the client. Although the Adviser will prompt clients periodically to review their information either through the online platform or mobile phone application, a client must promptly notify the Adviser of any change in financial situation, risk tolerance or investment objectives that might trigger a review or changes to the client's portfolio. Clients may change their responses to the Questionnaire at any time.
- Clients can choose a model portfolio recommended by Atomic or the client can override the recommended model portfolio and choose a different Atomic model portfolio. Clients may also customize our recommended portfolios by increasing or decreasing portfolio allocations to the investments in the selected model portfolio or by choosing from a list of other investments and requesting specific allocations to each.



## Item 6: Methods of Analysis, Investment Strategies and Risk of Loss

### Method of Analysis

Atomic provides investment advice based on proprietary algorithms that analyze client risk profiles, investment objectives and other information to construct, revise and otherwise recommend model portfolios based on target risk levels with asset allocation targets composed initially of equities, fixed income and/or Funds. As described in more detail below, the Adviser will use ETFs to represent the fixed income portion of any portfolio. Any ETFs utilized in the algorithm will be selected broadly-based on their overall level of risk, liquidity, tracking error to underlying indices (where applicable), cost of ownership and popularity. The Adviser algorithms continuously monitor client portfolios and periodically will rebalance them to the extent that the portfolio has drifted outside of acceptable ranges established by the Adviser or as otherwise provided by the client.

### Investment Strategies

Adviser maintains model portfolios that are recommended to clients based on each client's responses to the Questionnaire. The firm's proprietary algorithmic-based technology reviews the clients' inputs to recommend a suitable model portfolio. In addition, for clients that desire to include an ESG overlay in their portfolios, Atomic builds modified versions of the model portfolios that seek to include these considerations in security selection while maintaining a risk profile that is comparable to the respective non-ESG risk-level portfolio. As with other potential portfolio restrictions, there may be tracking error in the performance of an ESG portfolio as compared to a non-ESG portfolio that is managed to the same risk profile. Other client imposed investment restrictions may also result in tracking error. The Adviser's model portfolios are long-only, and will not include leverage, security lending, or derivatives, except where such investments are within an ETF that is included in the portfolio.

The Adviser anticipates each model portfolio (described below) will consist of a sub-portfolio of individual equities and one or more ETFs. Fixed income allocations will be represented by one or more ETFs.

The equity component of any model portfolio will be represented by U.S. and non-U.S. global equities based on criteria established by the Adviser. The Adviser reserves the ability to remove individual stocks that otherwise would be included in a model portfolio in its discretion, such as if the ability to trade a particular stock becomes too burdensome in a particular jurisdiction.

For clients who select an ESG overlay for their portfolio, the Adviser will also maintain applicable ESG versions of each of the model portfolios above. The equity portion of the portfolios will overweight equities with certain social impact characteristics and will also exclude equities with businesses that do not meet the applicable ESG selection criteria. Atomic's algorithmic models will make these determinations using information received from ESG research providers. This will result in equity portfolios that will include a smaller number of equities than the non-ESG portfolio and with different weights, but the Adviser will take care to produce ESG portfolios that have similar risk characteristics to their respective non-ESG risk level portfolio. In the case of an ESG portfolio, the fixed income portion of the portfolio will also be replaced by one or more ESG ETFs with the same overall weight.

Clients may choose to have Atomic invest cash balances in their account. If a client chooses for Atomic to manage cash balances, Atomic will invest any such assets in cash and cash equivalent instruments. If clients opt for Atomic not to manage cash balances actively within your Account, client hereby directs

Atomic to invest cash balances in the Custodian cash sweep vehicle. You hereby acknowledge that Atomic will receive revenue sharing from the Custodian with respect to any Account assets that are invested in the cash sweep vehicle.

Clients who invest in any of the strategies offered by the Adviser must understand the following risks:

### **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. All investment programs have certain risks that are borne by the investor. Atomic's investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

**Use of Algorithms.** The services provided by the Adviser are delivered to clients through electronic means, utilizing the online platform and mobile phone application. The services are also provided using proprietary quantitative models. The Adviser has rigorously designed, developed, and tested its models prior to offering them to clients. The Adviser has also implemented a control environment that periodically monitors the behaviors of such models after deployment. Notwithstanding the Adviser's controls, it is possible that the models may not always perform exactly as intended or as disclosed to clients. The Adviser continuously strives to monitor, detect, and correct any models that do not perform as expected or as disclosed.

It is possible that clients or the Adviser itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to the Adviser's algorithmic-based investment advisory service. The Adviser and its representatives are not responsible to any client for any resulting losses unless caused by the Adviser's breach of its fiduciary duty.

**Environmental, Social, and Governance Investing Risk.** An account that employs an ESG investing strategy, which typically selects or excludes securities of certain issuers for reasons other than performance, carries the risk that the account's performance will differ from accounts that do not utilize an ESG investing strategy. For example, the application of this strategy could affect the account's exposure to certain sectors or types of investments, which could negatively impact the Account's performance. Socially-responsible norms differ by region, and an issuer's ESG practices or the Adviser's assessment of an issuer's ESG practices may change over time.

**Interest-Rate Risk.** The risk that interest rates will rise to a higher level than the security holder is currently paid. Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds typically become less attractive, causing their market values to decline.

**Market Risk.** The risk that the price of a security, bond, or Fund may change in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors, independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.

**Potentially High Levels of Trading Risk.** Certain situations, such as the simultaneous receipt of a high volume of client deposits or withdrawal requests, can lead the Adviser to engage in high levels of trading. High levels of trading could result in (a) bid-ask spread expense; (b) trade executions that may occur at prices beyond the bid-ask spread (if quantity demanded exceeds quantity available at the bid or ask); (c) trading that may adversely move prices, such that subsequent transactions occur at worse prices; (d)

trading that may disqualify some dividends from qualified dividend treatment; (e) unfulfilled orders or portfolio drift, in the event that markets are disorderly or trading halts altogether; and (f) unforeseen trading errors.

**Tax-Loss Harvesting Risk** - Utilizing a tax-loss harvesting service has the following risks:

- Clients should confer with their own tax advisor regarding the tax consequences of investing with Atomic and utilizing a tax-loss harvesting strategy, based on their particular circumstances. Clients and their personal tax advisors are responsible for how the transactions in the client's account are reported to the Internal Revenue Service ("IRS") or any other taxing authority. Atomic assumes no responsibility to you for the tax consequences of any transaction, including any capital gains and/or wash sales that may result from the tax-loss harvesting strategy.
- Atomic's tax-loss harvesting service is not intended as tax advice, and Atomic does not represent in any manner that the tax consequences described will be obtained or that Atomic's investment strategy will result in any particular tax consequence.
- The performance of the new securities purchased through the tax-loss harvesting service may be better or worse than the performance of the securities that are sold for tax-loss harvesting purposes.
- Atomic's tax-loss harvesting service is designed to avoid creating "wash sales" in clients' accounts. Clients, however, are responsible for monitoring their accounts outside of Atomic to ensure that transactions in the same security or a substantially similar security do not create a wash sale. A wash sale occurs when a taxpayer sells a security at a loss and then purchases the same security or a substantially similar security over a period of 61 days: the day of the sale, the 30 days before the sale, and the 30 days after the sale. If a wash sale occurs, the IRS may disallow or defer the loss for current tax reporting purposes. Wash sales can occur even if the securities are sold and then bought in different accounts.
- Not all the losses may be used to offset gains in the year they were recognized due to wash sales. Thus, certain sales can diminish the effectiveness of tax-loss harvesting by deferring to a future year a tax loss that could have been used to offset income or capital gains in the current year.

**Security Selection Risk.** The risk that individual securities may decline in value due to negative news or fundamental developments specific to the issuer. The rationale for selecting the security either may not be correct or the market may not recognize the value.

**Stock Investments.** Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Different parts of the market can react differently to these developments. In addition, stock investments are subject to risk related to market capitalization as well as company-specific risk.

**ETF Risks.** ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may, from time to time, include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates

could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that to the extent they invest in ETF securities they will pay two levels of advisory compensation – the advisory fees charged by the Adviser plus any management and other fees charged by the ETF, which is described in the ETF’s offering documents. This will cause a higher investment advisory cost (and lower investment returns) than if a client purchased the ETF directly.

**Inflation Risk.** The risk that the value of a dollar will not be worth as much as anticipated. That is, inflation will be higher than expected.

**Liquidity Risk.** The risk that an investor will be unable to buy or sell a security at a reasonable price at a certain point in time. This may occur if there is a limited quantity available or only a few market makers willing to trade. For example, U.S. Treasuries are quite liquid, while an equity security subject to a regulatory halt would be illiquid..

**Credit Risk.** The risk that a bond will default or be significantly downgraded by one of the recognized credit agencies. Although Treasury instruments are backed by the U.S. government, there have been occasions in the past when a specific U.S. bond has been downgraded. Although the Adviser typically invests in ETFs representing investment-grade debt, there is no guarantee that a bond will not be downgraded or default on the loan. Credit risk is generally a higher risk for corporate debt than government or municipal bonds.

**Call Risk.** The risk that an issuer will repay (call) a bond prior to maturity. The issuer will return the investor’s principal early. The investor will generally accept a lower interest payment when reinvesting that principal.

**Prepayment Risk.** The risk that mortgage-backed bonds are usually subject to prepayment risk and the issuer will pay back the principal prior to maturity. This generally occurs when mortgage rates decline, and property owners refinance the debt at lower rates.

**Cybersecurity Risks.** With the increased use of technology to conduct business, the Adviser and its affiliates are susceptible to operational, information security, and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events that can arise from external or internal sources. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information; corrupting data, equipment, or systems; or causing operational disruption. Cyberattacks can also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

Cyber incidents affecting the Adviser, its affiliates, or any other service providers (including but not limited to custodians and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the ability to calculate asset prices, impediments to trading, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.

Similar adverse consequences could result from cyber incidents affecting issuers of securities in which an account invests, counterparties with which an account engages in transactions, governmental and other

regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers) and other parties.

**Terrorism, War, Natural Disaster and Epidemic Risk.** Terrorism, war, military confrontations and related geopolitical events (and their aftermath) can lead to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally. Such events, depending on location and severity could impact Atomic, its affiliates and any service providers' ability to do business, which could lead to disruptions in the services provided to Clients. Although Atomic has established business continuity/disaster recovery plans and systems (Continuity and Recovery Plans) designed to prevent or mitigate the effects of any disruptions, there are inherent limitations in Continuity and Recovery Plans. These limitations include the possibility that certain risks have not been identified or that Continuity and Recovery Plans might not – despite testing and monitoring – operate as designed, be sufficient to stop or mitigate negative impacts, including financial losses, or otherwise be unable to achieve their objectives. Clients could be negatively impacted as a result. In addition, Atomic cannot control the Continuity and Recovery Plans of any service providers. As a result, there can be no assurance that Clients will not suffer disruptions or financial losses relating to systems or personnel disruptions at a service provider.

Likewise, natural and environmental disasters, such as, for example, earthquakes, fires, floods, hurricanes, tsunamis and weather-related phenomena generally, as well as widespread disease and virus outbreaks, epidemics and pandemics, have been and can be highly disruptive to economies and markets, adversely affecting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of Client assets but also can significantly impact the ability of Atomic and its affiliates to operate effectively during a given geopolitical event. Given the increasing interdependence among global economies and markets, conditions in one country, market, or region are increasingly likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries, including the U.S. These disruptions could prevent Atomic from executing advantageous investment decisions in a timely manner and negatively impact its ability to achieve a Client's investment objectives.

## Item 7: Disciplinary Information

Neither Atomic nor its management personnel have been involved in any material legal or disciplinary events.

## Item 8: Other Financial Industry Activities and Affiliations

Atomic and its management persons are not engaged in other financial industry activities and have no other industry affiliations.

## Item 9: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Atomic maintains a Code of Ethics that requires employees to conduct themselves in a highly ethical manner. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect the interests of our clients and demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing. All employees are expected to adhere strictly to the Code of Ethics and report any violations. Additionally, our employees are strictly prohibited from using material, non-public information relating to our clients, their account holdings, or any recommendation or pending transaction for a client.

Atomic and its employees are permitted to purchase or sell securities for themselves in their personal investment accounts that may also be recommended to clients. In addition, Atomic and its employees may have an interest in securities that may also be purchased in client accounts. The potential for conflicts of interest is that Atomic or its employees could have an incentive to recommend a security to clients for their own gain. This conflict is mitigated through Atomic's strong compliance culture, its rigorous compliance policies and procedures and its surveillance activities, as well as the automated nature of its trading strategies. Moreover, the Code of Ethics and other Atomic policies are designed to ensure that our employees never place their personal interests ahead of Atomic's clients in an attempt to benefit themselves or another party. The Code of Ethics and other Atomic policies impose sanctions if these requirements are violated.

Where permissible by applicable law, and after complying with applicable regulatory requirements, certain orders can be executed on a principal basis. Fractional shares, for example, can be created as a result of smaller sized purchases that don't equate to round lots, the division of an account or a transfer into the client's account from an outside firm. As an accommodation to a client, fractional shares can be sold on a principal basis to the Adviser at the same price as whole shares of the same issuer are sold to a third party.

You may request to receive a copy of the Adviser's Code of Ethics by emailing [support@atomicvest.com](mailto:support@atomicvest.com)

## Item 10: Brokerage Practices

### Broker Selection

To open an account with Atomic, clients must establish a custody account with Pershing, an SEC registered broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. By entering into an Investment Advisory Agreement with Atomic, a client authorizes and directs Atomic to place all trades in a client's account through Pershing. As such, the Custodian will maintain all client accounts and execute all securities transactions without separate commission costs or other fees.

Notwithstanding the foregoing, clients will be responsible for any transaction and settlement costs where Pershing executes client transactions in foreign markets, such as a purchase of a non-U.S. security through a local executing broker-dealer. In addition, Atomic will trade away from Pershing in certain instances, such as when Pershing is unable to execute a particular type of transaction. For fixed-income trades, and in certain circumstances for trades in equity accounts, transactions may be effected on a principal basis

and therefore the spread, mark-ups and mark-downs will be paid by the account on those trades to the third-party broker-dealer. Wrap Program clients investing in a strategy with significant fixed income weightings may pay a disproportionately high fee for execution services, relative to payment on a per-transaction basis. Each client will be responsible for any brokerage fees and other expenses that are associated with such transactions in addition to the wrap fee paid to Atomic.

Atomic seeks to obtain the best execution, although there can be no assurance that it can be obtained. Clients should understand that the appointment of Pershing as the sole broker for their accounts may result in disadvantages to the client as a possible result of less favorable executions than may be available through the use of a different or greater pool of broker-dealers.

#### Research and Other Soft-Dollar Benefits

The Adviser does not receive research or other products or services from a broker-dealer or third-party (also known as “soft-dollar benefits”) in connection with client securities transactions.

#### Brokerage for Client Referrals

The Adviser does not consider, in selecting or recommending broker-dealers, client referrals from a broker-dealer. The Adviser does not have any arrangements in place to receive client referrals from Pershing.

#### Directed Brokerage

The Adviser does not accept requests for directed brokerage arrangements from clients.

#### Aggregating Trading for Multiple Client Accounts

Atomic places aggregated orders involving multiple client accounts trading in the same securities at approximately the same time when it is in the best interest for all clients involved in the transaction and it is operationally feasible to do so. Each client that participates in an aggregated transaction will participate at the average share price for transactions in the aggregated order.

#### Cross Trades

Cross trading is defined as arranging for one Adviser client account to purchase a security directly from another Adviser client account. Atomic intends to enter into cross trades between client accounts, where each such transaction is in the best interests of each client.

### Item 11: Review of Accounts

The Adviser provides its clients with real-time access to their investment account information through the online platform or the mobile phone application.

The Adviser’s algorithms continuously review client accounts to confirm client portfolios are in line with the model risk level portfolio allocations established by the Adviser. If a client’s portfolio deviates from this range (within certain tolerance thresholds), the Adviser will rebalance such portfolio back to its target allocation. Atomic’s algorithms will determine the timing of such transactions. While accounts are monitored by the Adviser’s algorithms, clients should be aware that their individual accounts are generally not actively monitored directly by investment advisory personnel.

## Item 12: Client Referrals and Other Compensation

The Adviser will receive revenue sharing from Pershing with respect to any margin interest paid by Atomic clients in connection with margin loans made to a client by Pershing. Margin loans may be obtained by a client to receive automatic withdrawals (pre-settlement of security sales) or for other purposes as determined by the client. The more a client utilizes margin loans will result in greater margin interest revenue sharing that will be received by Atomic.

The Adviser will also receive revenue sharing from Pershing with regard to client cash balances in Pershing's cash sweep vehicle. Clients must open an account with Pershing to receive Atomic's services. The more cash that is deposited in the Custodian's cash sweep vehicle, the greater the amount of revenue sharing Atomic will receive.

The Adviser earns revenue from companies that issue proxies, and for facilitating the processing and delivery of the proxies to Atomic's clients. For more information, see Item 17: Voting Client Securities.

Atomic also enters into agreements with various third-party companies for the purpose of those companies introducing their users or clients to new services and offerings of the Adviser that may be of potential benefit to them. These third parties will receive cash compensation from Atomic for such referrals. The decision of whether to accept or implement the Adviser's services is at the complete discretion of the client and the client will not be charged for any such referral services (see Item 5 on Fees).

## Item 13: Custody

Client assets are maintained in an account at the Custodian. Clients receive at least quarterly account statements directly from the Custodian, listing account balance(s), transaction history and any fees deducted from the account, including Atomic's investment advisory fees. Clients will authorize Atomic to facilitate the opening of their account with the Custodian and authorize Atomic to make such fee deductions. We encourage all clients to review their custodial account statements promptly upon receipt to confirm the accuracy of the information provided.

## Item 14: Investment Discretion

Through the Investment Advisory Agreement, Atomic is provided discretionary authority from each client to select the identity and amount of securities to be bought or sold without obtaining client consent before each trade. The Adviser will accept reasonable limitations or restrictions to such authority on the account placed by the client. All limitations and restrictions placed on accounts must be provided to the Adviser through the online platform or mobile phone application.

## Item 15: Voting Client Securities

Clients delegate proxy voting authority to Atomic, which has adopted Proxy Voting Policies and Procedures ("Proxy Policies") that require the Adviser to vote proxies received in a manner consistent with the best interest of its clients. The Adviser utilizes the services of Institutional Shareholder Services Inc. ("ISS") and will generally vote with ISS recommendations. The Adviser may poll users for issues they care about and will take into consideration the results of the polls when voting proxies, however, the



Adviser will retain ultimate authority and may vote in the opposite direction of the polls. Atomic will only vote on proxies relating to securities held in client accounts. Atomic will abstain from voting any proxies if it determines that abstaining is in the best interest of its clients, if there is a potential conflict of interest or as otherwise provided in the Proxy Policies.

The Adviser's Proxy Policies are reasonably designed to mitigate conflicts of interest. Atomic will identify any conflicts that potentially exist between the interests of the Adviser and those of the client. The relationship between the Adviser and the issuer is reviewed to determine if the Adviser or any of its employees have a financial, business, or personal relationship with the issuer. In the event a material conflict of interest exists, Atomic will determine whether it's appropriate to disclose the conflict to affected clients. All records on the resolution of such conflicts will be maintained.

Atomic earns revenue from companies that issue proxies for facilitating the processing and delivery of the proxies to Atomic's clients. The revenue earned by Atomic is not contingent on whether or how Atomic or its clients vote proxies, or the identity of funds and other securities that Atomic includes in client accounts, which is not influenced by these payments.

Clients may request information regarding how the Adviser voted a client's proxies, and clients may request a copy of Atomic's Proxy Policies, which may be updated from time to time, by emailing [support@atomicvest.com](mailto:support@atomicvest.com).

Atomic does not advise or take any action on behalf of clients in any legal proceedings, including bankruptcies or class actions, involving securities held or formerly held in client accounts or the issuers of those securities.

## Item 16: Financial Information

Atomic has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.

Atomic is not required to provide a balance sheet as the Adviser does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.