

# Li Enterprises Brochure

## 1. Cover Page

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This brochure provides information about the qualifications and business practices of Li Enterprises. If you have any questions about the contents of this brochure, please contact us at 510-325-9439. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Li Enterprises is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## 2. Material Changes

This is the first version of Li Enterprises' brochure.

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## 4. Advisory Business

Li Enterprises has been in business since 2023 as a sole proprietorship.

Li Enterprises provides investment advisory services to eligible investors. We focus on millennial and Gen-Z clients. Our software-based financial advice engine specializes in automated financial planning and portfolio management. It generates tailored advice by analyzing detailed questionnaires regarding client assets, income, cash flow, age, risk appetite, and investment goals.

Our advice engine then walks new clients through with a series of options that make sense for them, engaging them in formulating their own personal financial plan. Our financial planning is primarily focused on investment planning, retirement planning, and personal savings, though other areas of need like educational savings and insurance may be added in the future.

Similarly, our advice engine engages clients in choosing an asset allocation from options we generate based on their objectives, time horizon, financial situation and risk tolerance. It then presents several potential securities portfolios from them to choose from, clearly

Lastly, the advice engine helps clients gauge the environmental impact of their investment choices. Clients can define their own restrictions on investing in types of securities, sectors and/or industries.

## 5. Fees and Compensation

We charge a \$19.99 per month subscription for the use of our software. We do not charge any other fees. We bill clients on a monthly basis. Clients may incur brokerage and other transaction costs, which are charged directly by brokerages. See Section 11 for details on our code of ethics and Section 12 for details on brokerage costs.

## 6. Performance-Based Fees & Side-By-Side Management

We do not charge performance based fees, and therefore do not have conflicts of interest regarding side by side management.

## 7. Types of Clients

We serve individual clients.

## 8. Methods of Analysis, Investment Strategies and Risk of Loss

We formulate advice based on each client's assets, income, age, risk appetite, and stated investment goals. The same advice engine also helps clients gauge the environmental impact of their investment choices. All investing involves risk, including the possible loss of money you invest, and past performance does not guarantee future performance. Historical returns, expected returns, and probability projections are provided for informational and illustrative purposes, and may not reflect actual future performance. Li Enterprises does not provide tax advice and investors are encouraged to consult with their personal tax advisors.

## 9. Disciplinary Information

We are not the subject of any legal or disciplinary events.

## 10. Other Financial Industry Activities and Affiliations

We do not engage in any financial industry activities besides investment advisory.

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

Our Code of Ethics, adopted pursuant SEC rule 204A-1, covers the issues of compliance, professional integrity, confidentiality, and conflicts of interest. In the event we or a related person have any financial interest in recommended client transactions, or personal ownership in the same or related securities that we recommend to clients, we will disclose that fact as we make that recommendation. In general, conflicts that arise in connection with personal trading will be disclosed. It also sets out rules for receiving gifts, reporting violations, advertising and privacy. We will provide a copy of your code of ethics to any client or prospective client upon request.

## 12. Brokerage Practices

We recommend only low-cost brokerages. While we may collect a one-time referral fee, we do not receive soft dollar benefits tied to client brokerage commissions.

## 13. Review of Accounts

Clients have continuous online access to the Li Enterprises website, where they can view all positions, transactions, performance, and fees relating to their accounts. Clients also receive periodic statements electronically on a quarterly basis, stating all positions, transactions, fees relating to client accounts. These statements detail client holdings, allocations, and performance.

In addition, our software engine reviews accounts on a monthly basis to monitor how far each account is from its target investment allocation. If rebalancing is required to get an account back to its target allocation, the software engine suggests trades while explaining tax implications and the volatility associated with each of the chosen asset classes.

Our software engine triggers a *non-periodic* review when a client makes a significant deposit or withdrawal, experiences a major life event (eg marital or employment status changes), or changes their objectives online.

## 14. Clients Referrals and Other Compensation

We do not compensate anyone for referrals.

## 15. Custody

We are not a custodian of client funds or securities.

## 16. Investment Discretion

We do not manage securities accounts on behalf of clients.

## 17. Voting Client Securities

We do not vote on behalf of our clients. Clients will receive their proxies and other solicitations directly from the custodians.

## 18. Financial Information

We do not solicit prepayment of more than \$1200 per client, and do not have discretionary authority or custody of client funds or securities. Therefore we are exempt from this section.

## 19. Requirements for State-Registered Advisers

Li Enterprises is the primary business name of Philip Y Li, a sole proprietor. Philip Y Li holds an MBA from UCLA, and has had an extensive career in product development for real estate tech startups. He is also a mentor and coach to climate tech startups.