

# Thrive Investments, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Thrive Investments, LLC. If you have any questions about the contents of this brochure, please contact us at (617) 823-6904 or by email at: [trevor@thrive.investments](mailto:trevor@thrive.investments). 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 Thrive Investments, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Thrive Investments, LLC's CRD number is: 321608.*

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*Registration as an investment adviser does not imply a certain level of skill or training.*

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## Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of Thrive Investments, LLC on March 7, 2024, are described below. Material changes relate to Thrive Investments, LLC's policies, practices or conflicts of interest.

- Thrive Investments, LLC has updated its Assets under Management. (Item 4.E)
- Thrive Investments, LLC has updated its Methods of Analysis, Investment Strategies, & Risk of Loss. (Item 8)

## Item 3: Table of Contents

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Thrive Investments, LLC (hereinafter “THR”) is a Limited Liability Company organized in the State of Massachusetts. The firm was formed in September 2020, and the principal owner is Trevor S. Gailun.

### B. Types of Advisory Services

#### *Financial Planning*

THR provides an online financial planning portal. The portal is designed to enable clients to better organize their financial lives and evaluate many forward-looking “what-if” scenarios that could impact their financial lives. Clients can connect financial accounts from hundreds of institutions to see their full financial picture on an ongoing basis. In addition, clients can view transaction level spending data to keep track of their spending history and make better informed estimates about future spending. Also, the portal includes an integrated document storage solution that enables safekeeping of important financial documents all in one place. A detailed guide will be provided to each client with instructions about how to answer many financial planning questions quickly using the portal. Such questions include:

- What is my current probability of meeting my retirement goal(s)?
- What are my current probabilities of meeting my other goals?
- What does my personal balance sheet look like?
- What is my detailed asset allocation overall or by account?

How would my financial situation change if I:

- Add/delete a goal?
- Change my retirement age estimate?
- Change the amount and/or timing of an individual goal?
- Change which investment account(s) I use to fund my goal(s)?
- Change my annual income estimate?
- Add/subtract an income?
- Increase/decrease my annual living expenses estimate pre-retirement?
- Change the amount of my annual savings/retirement account contribution?

To answer questions that cannot be quickly answered using the client’s financial planning portal and guide, the client can contact THR. Common questions that require advisor assistance include:

### **How would my financial situation change if I:**

- Change my investment asset allocation today or in the future?
- Improve real estate and/or other personal property with or without financing?
- Sell and/or buy real estate with or without financing?
- Move state of residence today or in the future?
- Shorten or lengthen my planning horizon?

### ***Investment Management Services***

THR offers ongoing investment management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Investment management services include, but are not limited to, the following:

- |                    |                                            |
|--------------------|--------------------------------------------|
| • Risk tolerance   | • Regular investment monitoring            |
| • Asset allocation | • Tax loss harvesting for taxable accounts |
| • Asset selection  | • Portfolio Rebalancing                    |

THR evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. THR will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction.

THR seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of THR's economic, investment or other financial interests. To meet its fiduciary obligations, THR attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, THR's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is THR's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

### ***Services Limited to Specific Types of Investments***

THR generally limits its investment advice to fixed income securities (excluding non-exchange traded fund (ETF) fixed income securities), equities, equity ETFs, based in the U.S and internationally, although THR primarily recommends low cost, diversified ETF strategies. THR may use other securities as well to help diversify an investment portfolio when applicable.

### ***Written Acknowledgement of Fiduciary Status***

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the

Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

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

THR may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent THR from properly servicing the client account, or if the restrictions would require THR to deviate from its standard suite of services, THR reserves the right to end the relationship.

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

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees and transaction costs. THR does not participate in wrap fee programs.

### **E. Assets Under Management**

THR has the following assets under management:

| Discretionary Amounts: | Non-discretionary Amounts: | Date Calculated: |
|------------------------|----------------------------|------------------|
| \$10,786,912           | \$0                        | December 2024    |

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

### **A. Fee Schedule**

#### *Financial Planning Fees*

A one-time up-front fee of \$300 will be charged when the client registers for the financial planning service. A fee of \$187.50 will be charged quarterly thereafter. There will be no charge for financial planning services if the client's total assets managed by THR exceed \$1,000,000. The fees are negotiable, and the final fee schedule will be attached as Exhibit I of the Financial Planning Agreement (hereinafter "FPA").

Clients may terminate the FPA without penalty, for full refund of THR's fees, within five business days of signing the FPA if this document has not been delivered at least 48 hours before the client signs the FPA. Thereafter, clients may terminate the FPA upon written notice.

### ***Investment Management Fees***

| Total Assets Under Management | Annual Fees |
|-------------------------------|-------------|
| \$25,000 – AND UP             | 0.15%       |

THR bases the advisory fee on the market value of the assets on the last day of the billing period, after taking into account deposits and withdrawals.

These fees are negotiable, and the final fee schedule will be memorialized in the client's Investment Management Agreement (hereinafter "IMA"). Clients may terminate the IMA without penalty for a full refund of THR's fees within five business days of signing the IMA. Thereafter, clients may terminate the IMA generally with 14 days' written notice.

## **B. Payment of Fees**

### ***Payment of Financial Planning Fees***

If the client chooses financial planning services only, fees will be paid via AdvicePay.

If the client chooses both financial planning services and investment management services, financial planning fees will be deducted from the managed investment account(s) selected by the client.

One-time upfront fixed financial planning fees are paid at the time of contract execution. Ongoing quarterly financial planning fees are paid quarterly in arrears. Fixed financial planning fees are withdrawn from the client's account with the client's written authorization.

### ***Payment of Investment Management Fees***

Asset-based Investment management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in arrears.

For fees deducted directly from client accounts, in states that require it, THR will:

- (A) Possess written authorization from the client to deduct advisory fees from an account held by a custodian.
- (B) Send the custodian written notice of the amount of the fee to be deducted from the client's account and verify that the custodian sends invoices to the client.
- (C) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

### **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by THR. Please see Item 12 of this brochure regarding broker-dealer/custodian.

### **D. Prepayment of Fees**

THR collects some of its fees in advance and some fees arrears. Refunds for fees paid in advance will be returned within fourteen days to the client via check or return deposit back into the client's account.

### **E. Outside Compensation For the Sale of Securities to Clients**

Neither THR nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

THR does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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

THR generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Charitable Organizations

There is no investment account minimum.

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

For the purposes of this brochure, the terms “**equity**” and “**equities**” refer to publicly traded common stock unless otherwise noted.

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

#### ***Methods of Analysis***

THR’s methods of analysis include Quantitative analysis.

**Quantitative analysis** deals with measurable factors - as distinguished from qualitative considerations such as a company’s competitive advantage or the character of management - such as a company’s historical stock price performance, profit per share and stock price volatility.

#### ***Investment Strategies***

THR offers nine investment strategies (see Tables 1–3) that span 0% to 100% equity exposure. Strategy portfolios are implemented using exchange-traded funds (ETFs), individual equities, and money market mutual funds. The principal difference among the tables is how the equity sleeve is constructed:

| <b>Table 1</b>                          | U.S.<br>Conservative | U.S.<br>Conservative<br>Growth | U.S.<br>Moderate<br>Growth | U.S.<br>Growth | U.S.<br>Aggressive<br>Growth | U.S Equity |
|-----------------------------------------|----------------------|--------------------------------|----------------------------|----------------|------------------------------|------------|
| U.S. Market-Cap<br>Weighted Stock ETFs  | 0%                   | 20%                            | 40%                        | 60%            | 80%                          | 100%       |
| U.S. Market-Value<br>Weighted Bond ETFs | 100%                 | 80%                            | 60%                        | 40%            | 20%                          | 0%         |
| Strategy Operating<br>Expense           | 0.04%                | 0.04%                          | 0.04%                      | 0.04%          | 0.04%                        | 0.03%      |
| Total Investment<br>Management Expense  | 0.19%                | 0.19%                          | 0.19%                      | 0.19%          | 0.19%                        | 0.18%      |

| <b>Table 2</b>                                |  |  | Global<br>BFW<br>Equity –<br>Volatility<br>Focus | Global<br>BFW<br>Equity –<br>Return<br>Focus |
|-----------------------------------------------|--|--|--------------------------------------------------|----------------------------------------------|
| U.S. Behavioral-Factor<br>Weighted Stock ETFs |  |  | 100%                                             | 100%                                         |
| Strategy Operating<br>Expense                 |  |  | 0.15%                                            | 0.19%                                        |
| Total Investment<br>Management Expense        |  |  | 0.30%                                            | 0.34%                                        |

| <b>Table 3</b>                               |  |  |  | U.S. Select<br>Equity –<br>Volatility<br>Focus |
|----------------------------------------------|--|--|--|------------------------------------------------|
| U.S. Lower Volatility<br>Individual Equities |  |  |  | 100%                                           |
| Total Investment<br>Management Expense       |  |  |  | 0.15%                                          |

Like the Standard & Poor's 500 Index - the most regarded barometer of the U.S. Stock Market - all companies within each stock ETF in Table 1 are weighted by the market capitalization of the company. The stock allocation of the strategies listed in Table 1 are designed to track the S&P 500 Index. The bond allocation is designed to track the most popular bond benchmark (the Bloomberg US Aggregate Bond Index) The following characteristics are considered in selecting the securities for the strategies in Table 1:

- 1) How closely the ETF tracks the benchmark
- 2) Operating expense of the ETF
- 3) Liquidity of the ETF
- 4) Staying power - size, stability, and experience of the ETF sponsor

For equity ETFs in Table 2, the constituent company weightings are determined primarily by factors other than market-capitalization.

Based on long-standing observations of investor behavior, proprietary quantitative and qualitative research, and peer-reviewed academic studies, THR believes that weighting a stock strategy primarily by factors other than market capitalization has historically been associated with different risk-return characteristics than market-capitalization-weighted benchmarks such as the S&P 500 Index and may, in certain market environments, offer improved risk-adjusted returns. These factors are high stock price momentum (strong trend), low stock price/profit per share and low stock price volatility.

While there remains disagreement about the cause of the superior historical risk-adjusted performance of these factors over market-capitalization-weighted strategies - as documented in the peer-reviewed research - THR believes behavioral psychology provides a compelling explanation for these historical patterns, although alternative risk-based explanations exist.

#### **Quantitative Factor: Low Price/Profit (PP) Per Share**

The first return-enhancing factor is low stock price/profit per share, as measured by the ratio of a company's stock price divided by its earnings (or other fundamental metric such as book value, cash flow...etc) per share.

Behavioral Driver: Anchoring Effect

THR believes that securities with relatively low PP multiples may, in some cases, attract greater investor attention and demand consistent with the anchoring effect — a cognitive bias in which decisions are influenced by a particular reference point or anchor. In investing, an aggregate market PP ratio commonly serves as such an anchor. Securities that appear “discounted” relative to that anchor may draw bargain-seeking interest and potential re-pricing over time.

Behavioral Driver: Gambler's Fallacy

THR also considers the gambler's fallacy as a behavioral mechanism that can contribute to demand for recent losers. The gambler's fallacy is the behavioral tendency to interpret recent adverse returns as increasing the probability of a subsequent reversal; when investors act on this belief they may purchase depressed securities expecting a faster rebound, and such demand can contribute to subsequent re-pricing in certain circumstances.

### **Quantitative Factor: High Price Momentum/ Trend**

The second return-enhancing factor is momentum, measured by recent relative price performance over a defined lookback period. THR believes two behavioral biases that help sustain momentum are the bandwagon effect and recency bias.

Behavioral Driver: Bandwagon Effect

The bandwagon effect is the tendency for investors to buy securities because others are doing so; this behavior is more prevalent in periods of high decision uncertainty and can amplify price trends when many participants follow recent winners.

Behavioral Driver: Recency Bias

Recency bias leads investors to overweight recent performance when forecasting future returns; that overweighting can create additional demand for recent winners and help sustain price momentum for a period.

### **Quantitative Factor: Low Volatility**

While stocks with relatively strong recent performance often attract above-average demand from trend followers, and stocks with relatively low price/profit ratios often attract bargain hunters, a third group of companies receives little attention from either type of investor. These firms tend to be more stable and less volatile: they are not obvious bargains nor do their charts show dramatic rallies. There is sizable evidence that, on a risk-adjusted basis, these more stable companies can perform as well as or better than attention-grabbing counterparts and that they typically decline less than the broader market during large downturns.

The following factors are considered in selecting the securities in Table 2:

- 1) Degree of factor exposure
- 2) Level of geographic and industry diversification
- 3) Number of companies in the ETF
- 4) Operating expense ratio
- 3) Liquidity – assets under management and trading volume
- 4) Staying power - size, stability and experience of ETF sponsor
- 5) Geographic focus

The following factors are considered in selecting the securities in Table 3:

- 1) Degree of factor exposure
- 2) Level of geographic and industry diversification
- 3) Liquidity

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### *Methods of Analysis*

**Quantitative analysis** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

### *Investment Strategies*

These strategies expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and

credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (iNAV), or price fluctuation and disassociation from the index being tracked. With regard to trading risks, regular trading adds cost to your portfolio thus counteracting the low fees that one of the typical benefits of ETFs. Additionally, regular trading to beneficially “time the market” is difficult to achieve. Even paid fund managers struggle to do this every year, with the majority failing to beat the relevant indexes. With regard to liquidity and shutdown risks, not all ETFs have the same level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself. Implied liquidity is a measure of what can potentially be traded in ETFs based on its underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments (as applicable). Foreign securities in particular are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETFs that use derivatives, leverage, or complex investment strategies are subject to additional risks. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another and losses may be magnified if no liquid market exists for the ETF’s shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

*Clients can obtain the disciplinary history, if any, of and its representatives from the Massachusetts Securities Division (617-727-3548) upon request. Please also see below for a discussion of applicable disciplinary history.*

#### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

#### **B. Administrative Proceedings**

There are no administrative proceedings to report.

#### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

#### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither THR nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

#### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither THR nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

#### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither THR nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

THR does not utilize nor select third-party investment advisers.

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

### **A. Code of Ethics**

THR has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. THR's Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

THR does not recommend that clients buy or sell any security in which a related person to THR or THR has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of THR may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of THR to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. THR will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of THR may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of THR to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, THR will never engage in trading that operates to the client's disadvantage if representatives of THR buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on THR's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and THR may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in THR's research efforts. THR will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

THR will require clients to use Schwab Institutional, a division of Charles Schwab & Co., Inc..

#### ***1. Research and Other Soft-Dollar Benefits***

While THR has no formal soft dollars program in which soft dollars are used to pay for third party services, THR may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). THR may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and THR does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. THR benefits by not having to produce or pay for the research, products or services, and THR will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that THR's acceptance of soft dollar benefits may result in higher commissions charged to the client.

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

THR receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

THR will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

If THR buys or sells the same securities on behalf of more than one client, it might, but would be under no obligation to, aggregate or bunch, to the extent permitted by applicable law and regulations, the securities to be purchased or sold for multiple clients in order to seek more favorable prices, lower brokerage commissions or more efficient execution. In such case, THR would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. THR would determine the appropriate number of shares to place with brokers and will select the appropriate brokers consistent with THR's duty to seek best execution.

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

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for THR's advisory services provided on an ongoing basis are reviewed at least annually by Trevor Gailun, Managing Member and Chief Compliance Officer, with regard to clients' respective investment policies and risk tolerance levels. All accounts at THR are assigned to this reviewer.

All financial planning accounts are reviewed by Trevor Gailun, Managing Member and Chief Compliance Officer.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of THR's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

THR does not receive any economic benefit, directly or indirectly from any third party for advice rendered to THR's clients.

With respect to Schwab, THR receives access to Schwab's institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For THR client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to THR other products and services that benefit THR but may not benefit its clients' accounts. These benefits may include national, regional or THR specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of THR by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist THR in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of THR's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of THR's accounts. Schwab Advisor Services also makes available to THR other services intended to help THR manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to THR by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to THR. THR is independently owned and operated and not affiliated with Schwab.

### **B. Compensation to Non - Advisory Personnel for Client Referrals**

THR does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, THR will be deemed to have custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements from the custodian and billing invoices from THR, that are required in each jurisdiction, and they should carefully review those statements for accuracy.

For fees deducted directly from client accounts, in states that require it, THR will:

- (A) Possess written authorization from the client to deduct advisory fees from an account held by a custodian.
- (B) Send the custodian written notice of the amount of the fee to be deducted from the client's account and verify that the custodian sends invoices to the client.
- (C) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

### **Item 16: Investment Discretion**

THR provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, THR generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, THR's discretionary authority in making these determinations may be limited by conditions imposed by a client in investment guidelines or objectives, or client instructions otherwise provided to THR.

Non-discretionary clients are at a disadvantage to discretionary clients due the fact that all investment transactions require pre-approval from the client prior to the purchase and/or sale being executed.

### **Item 17: Voting Client Securities (Proxy Voting)**

THR will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian unless the proxy is from a non-ETF equity security, in which case THR will receive the proxies and send them electronically to the client quarterly. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

THR neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither THR nor its management has any financial condition that is likely to reasonably impair THR's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

THR has not been the subject of a bankruptcy petition in the last ten years.

## **Item 19: Requirements For State Registered Advisers**

### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

THR currently has only one management person: Trevor Scott Gailun. Education and business background can be found on the individual's Form ADV Part 2B brochure supplement.

### **B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

### **C. Calculation of Performance-Based Fees and Degree of Risk to Clients**

THR does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

**D. Material Disciplinary Disclosures for Management Persons of this Firm**

There are no civil, self-regulatory organization, or arbitration proceedings to report under this section.

**E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

See Item 10.C and 11.B.