



## **FLIT Invest LLC**

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**June 30, 2022**

### **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of FLIT Invest LLC. If you have any questions about the contents of this brochure, contact us at 631-974-6035 or [alejandro@flitinvest.com](mailto:alejandro@flitinvest.com). 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 FLIT Invest LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

FLIT Invest LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **Item 2 Summary of Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

We are a newly registered investment adviser; therefore, we have no material changes to report.

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## Item 4 Advisory Business

### Description of Firm

FLIT Invest LLC is a registered investment adviser based in Pawling, NY. We are organized as a limited liability company ("LLC") under the laws of the state of Delaware. We are directly owned by FLIT Invest Holdings Inc. We are indirectly owned by Alejandro Arnaldo Fritz Ruenes and Richard Papp.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to FLIT Invest LLC and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

FLIT Invest does not provide financial or tax planning. Our portfolio management services are provided through our interactive mobile application.

### Portfolio Management

We offer discretionary portfolio management services through a proprietary, interactive advisory platform that you will access through an app you access via your mobile device. Once you download and access the app, you will be asked to enter information about your financial circumstances and objectives. You will also be required to complete information so we may assess your risk tolerance and investing preferences. Our algorithm will use the information provided to determine your current financial position and to define and quantify your long-term goals, risk tolerance and objectives. Once the system has analyzed those long-term objectives (both financial and non-financial), it will assess and develop shorter-term, targeted objectives. The software will assemble recommendations and will present you with various investment options and themes for your portfolio. These recommendations are designed to help you achieve your stated financial goals and objectives. Our investment advice is offered through our proprietary online platform and is tailored to meet our clients' needs and investment objectives. You will select one of the recommended investment options and themes for your portfolio or you may choose to override the recommended options by selecting a different portfolio option.

Your portfolio may be constructed using our model portfolios or can be customized based on your specific investing objectives through the selection of various investment themes or placing restrictions related to investments in specific industries. Our model portfolios are designed, using Model Portfolio Theory, for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Our models are built using publicly available ETFs and mutual funds selected based on the model's investment criteria and risk level; therefore, clients whose assets are invested in a specific model may not set restrictions on the specific holdings or allocations within that model, nor the types of securities that can be purchased in the model. However, clients can customize their overall portfolio through the selection of various investment themes. Restrictions may have a negative impact on the investment return on your portfolio. Although restrictions can be provided as they relate to specific industries, we cannot implement restrictions within the investments in a selected mutual fund or ETF, for example.

It is important to note that although we do our best to adhere to your restrictions and fully exclude the industries you specify, we cannot control if an ETF purchases a company with exposure to an undesired industry.

If you participate in our discretionary portfolio management services, we require you to grant us discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. Discretionary

authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without obtaining your approval prior to each transaction. We will also have discretion over the broker or dealer to be used for securities transactions in your account. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms.

We are limited to taxable accounts only (i.e., not qualified plans or IRA accounts) at this time and only allow accounts for natural persons.

In providing account management services, we do not accept client restrictions on the specific securities or the types of securities that may be held in your account although restrictions related to investments in specific industries are allowed.

It is important that you keep your suitability profile current at all times so that our recommendations are in line with your financial situation. You will update this information to us on the interactive app and we request that you review this information at least annually. Your investment time horizon, risk profile and current financial situation changes periodically and this information is important for us to know. We will provide you with annual and quarterly requests to update this information as reminders.

### **Additional Deposits and Rebalancing**

As additional deposits are made into, or withdrawals are taken from, your accounts, FLIT Invest will rebalance the account to your selected model. In addition, FLIT Invest will rebalance your account if the holdings deviate significantly (i.e., usually by 5% or more) from the selected model's target allocation. This allows your selected model to remain close to the target allocations through market fluctuation, withdrawals, deposits and other events that may cause deviations from the model's target allocation. Rebalancing transactions and dividend reinvestments are automatic.

The rebalancing process will sell over-concentrated holdings and those proceeds will be used to purchase under-concentrated holdings allowing your portfolio to better reflect the targets of the selected model. You will not pay any transaction fees for the reallocation or rebalancing process.

### **Types of Investments**

Our models primarily include ETFs and Mutual Funds. Refer to the *Methods of Analysis, Investment Strategies and Risk of Loss* below for additional disclosures on this topic.

Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

The investment strategies and recommendations made through the app are based on the information you provided when setting up your account within the app and are based on each client's specific financial situation. Therefore, the investment advice provided to you may be different or conflicting with the advice given to other clients regarding the same security or investment.

### **Assets Under Management**

We are a newly registered investment adviser; therefore, we do not have any discretionary or non-discretionary assets under management as of the date of this brochure.

## **Item 5 Fees and Compensation**

### **Portfolio Management**

We provide portfolio management through an online, interactive platform. We charge monthly Subscription Fees that will be charged as follows:

- FLIT Invest Personal: \$5 monthly Subscription Fee
- FLIT Invest Youth: \$2 monthly Subscription Fee for users under the age of 21 or students currently enrolled in accredited U.S. colleges
- Promotional or Customer Subscriptions: FLIT Invest may offer (i) promotional pricing or limited time offers for its existing subscription tiers for its product offers, promotional, (ii) promotional pricing for existing subscribers following the discontinuation of a subscription tier, or (iii) a custom pricing model for a subscription tier that may offer unique or beta products, or a unique or beta combination of products, provided that subscribers to any such promotional or custom priced subscription tier will have their actual monthly Subscription Fee amount conspicuously disclosed prior to, and following, subscription.

Our Subscription Fee is assessed monthly on your Fee Date and will be deducted automatically from your Funding Source through the app. The Subscription Fee is paid monthly in advance, i.e., if your Fee Date is June 15th, your fees cover the time period June 15 - July 15).

Your Funding Source is the checking account that you will set up when you set up your FLIT account and will be used to send money to and receive money from your account via an ACH (Automated Clearing House) transfer and from which fees will be deducted. At no point may you have more than one external account as a Funding Source. Your FLIT Invest account is not designed to be your Funding Source. If fees are imposed by your bank for the ACH transfer, they are imposed without FLIT's knowledge and are not our responsibility.

Currently accounts cannot be funded via any source other than a cash deposit done via ACH transfer.

Fee Date means the business day each month when the applicable subscription fee for that calendar month will be withdrawn from your Funding Source. The Fee Date will be the monthly anniversary of the date your first FLIT Invest account was verified ("Verified Date"). If your Verified Date falls on a day that is not a business day in a given month, your Fee Date for that month will be the business day immediately prior to your Verified Date. If your Fee Date would fall on a day in the prior month - due to weekends or holidays - your Fee Date will be the first business day in the calendar month.

There are no transaction fees charged to your FLIT Invest account(s) for trades. Your subscription fee is the total fee you pay each month.

Although we do not have a minimum dollar amount to open an account, we feel your account must have at least \$25 to be managed effectively. While there are no account minimums, accounts will not be traded and will remain in cash until they reach a \$5 minimum threshold.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (the "expense ratios" described in each fund's prospectus) to their shareholders. These fees will generally include a management fee, marketing costs, custodial services and other fund expenses. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

### **Other Fees Charged by Custodian**

<b>Transaction</b>	<b>Total Charge (\$)</b>
ACATS - Outgoing Non Retirement Account	75.00
ACATS - Outgoing Partial	75.00
ACH Notice of Change/Correction	5.00
Paper Confirm Fee (Retail Paper Only) (per confirm)	2.00
Paper Statement Fee (Retail Paper Only) (per statement)	5.00
Returned ACH (per return)	30.00
Third Party Distribution Notification	2.00

Failure to keep your email address updated will trigger paper confirm and paper statement fees if not updated before the next confirm or statement is processed. It is very important that your contact email address is current at all times.

These fees are imposed by the custodian and not shared with FLIT Invest.

FLIT Invest has the option to waive or negotiate fees at its discretion. Fees are typically reserved for employee and family accounts.

### **Account Termination**

Clients can terminate their accounts at any time directly via the interactive app by using the "Close Account" functionality or by contacting the Help Center for guidance. Once the instructions have been verified and received, FLIT Invest will sell all securities in the account. When all securities have been sold and cash is in the account, FLIT Invest will transfer all client funds to the Funding Account which is linked to their FLIT Invest account. At this time, only cash can be provided when you terminate your relationship with FLIT Invest. Securities cannot be transferred via ACAT or other means to another custodian or to you as owner. The sale of the securities you own in your account will often trigger tax consequences that you will need to consider. Your Subscription Fee for the final month will not be refunded or prorated for a partial month. Appropriate tax reporting will be provided at year-end directly from the custodian through the interactive app.

Your Funding Account will be de-linked from your FLIT Invest account once the cash has been returned and FLIT Invest will have no further access to the Funding Account for debiting of fees.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

We only offer investment advisory services to individuals (*i.e.*, natural persons), including high net worth individuals. Although we do not have a minimum dollar amount to open an account, we feel your account must have at least \$25 to be managed effectively. While there are no account minimums, accounts will not be traded and remain in cash until they reach a \$5 minimum threshold. Natural

persons must (i) be legal U.S. residents, (ii) maintain and link a checking account or other verified funding source with a U.S. bank or financial institution to their FLIT Invest account, and (iii) pass our identity verification protocols.

Trust accounts or accounts funded by a business checking account cannot be opened at this time and the registration of the Funding Account must match the registration of the FLIT Invest account. A Funding Account with a joint registration can be used if the Funding Account's beneficiary is the FLIT Invest account owner and it passes our verification protocols.

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

### **Our Methods of Analysis and Investment Strategies**

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Modern Portfolio Theory** - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

**Risk:** Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

**ESG Investing** - ESG Investing maintains a focus on Environmental, Social, and Governance issues. ESG investing may be referred to in many different ways, such as sustainable investing, socially responsible investing, and impact investing. ESG practices can include, but are not limited to, strategies that select companies based on their stated commitment to one or more ESG factors; for example, companies with policies aimed at minimizing their negative impact on the environment, social issues, or companies that focus on governance principles and transparency. ESG practices may also entail screening out companies in certain sectors or that, in the view of the investor, demonstrate poor management of ESG risks and opportunities or are involved in issues that are contrary to the investor's own principals.

**Risk:** "ESG Investing" is not defined in federal securities laws, may be subjective, and may be defined in different ways by different managers, advisers or investors. There is no SEC "rating" or "score" of ESG investments that could be applied across a broad range of companies, and while many different private ratings based on different ESG factors exist, they often differ significantly from each other. Different managers may weight environmental, social, and governance factors differently. Some ESG managers may consider data from third party providers which could include "scoring" and "rating" data compiled to help managers compare companies. Some of the data used to compile third party ESG scores and ratings may be subjective. Other data may be objective in principle, but are not verified or reliable. Third party scores also may consider or weight ESG criteria differently, meaning that companies can receive widely different scores from



different third party providers. A portfolio manager's ESG practices may significantly influence performance. Because securities may be included or excluded based on ESG factors rather than traditional fundamental analysis or other investment methodologies, the account's performance may differ (either higher or lower) from the overall market or comparable accounts that do not employ similar ESG practices. Some mutual funds or ETFs that consider ESG may have different expense ratios than other funds that do not consider ESG factors. Paying more in expenses will reduce the value of your investment over time.

### **Cash Management**

In managing the cash maintained in your account, we utilize the sole exclusive cash vehicle (money market) made available by the custodian. There may be other cash management options away from the custodian available to you with higher yields or safer underlying investments.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. Your custodian will default to the Highest-In First-Out ("HIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Other Risk Considerations**

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

**Liquidity Risk:** The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

**Credit Risk:** Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

**Inflation and Interest Rate Risk:** Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income

investments to decline.

**Horizon and Longevity Risk:** The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

#### **Limited Securities Recommendations**

We primarily recommend ETFs and mutual funds. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

**Mutual Funds and Exchange Traded Funds:** Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

**Robo Advice:** There are inherent limitations on our selection methodology as the suitability factors evaluated by the FLIT Invest algorithms do not comprehensively address all relevant considerations when making investment suitability determinations.

## **Item 9 Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

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

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure. A copy will be provided at no charge to you.

### **Participation or Interest in Client Transactions**

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

We recommend the brokerage and custodial services of Apex Clearing. Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere. Our selection of custodian is based on many factors, including the level of services provided, the custodian's financial stability, and the cost of services provided by the custodian to our clients, which includes the yield on cash sweep choices, commissions, custody fees and other fees or expenses.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.

- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

### **Research and Other Soft Dollar Benefits**

We do not have any soft dollar arrangements.

### **Economic Benefits**

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

We only accept clients that agree to hold their account(s) at our clearing custodian, Apex Clearing. If you wish to use another custodian, we will be unable to work together.

### **Aggregated Trades**

We combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage (this practice is commonly referred to as "aggregated trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, participating accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in aggregated trading with your accounts; however, they will not be given preferential treatment. Proprietary and related accounts are typically included in our aggregate trades to help assure they do not receive preferential pricing over client accounts.

### **Mutual Fund Share Classes**

Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration cost, tax implications, and other factors. When the fund is available for purchase at net asset value, we will purchase, or recommend the purchase of, the fund at net asset value in a share class that does not pay 12b-1 fees. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent deferred sales charges.

## Item 13 Review of Accounts

As an Internet-only advisor, the algorithms within the app monitor your accounts continuously to ensure that allocations are within the recommended model based on the information you provided regarding your personal and financial circumstances. You may review and update your financial information through the app at any time. We recommend that you keep the information in the system regarding your personal and financial situation up to date to your portfolio recommendations can change as your personal circumstances evolve. We will remind you of this responsibility at least annually via notification on the app or via a direct email.

We review the algorithms in our platform at least quarterly and will make changes in our models as dictated by market conditions and other factors. If we make changes in the algorithms that would result in a change in recommendations made to you by the platform based on your specific circumstances, your account will be updated based on the new recommendations.

Information regarding the holdings in your accounts will be provided by the custodian at least quarterly. We recommend you review those statement carefully and update your information in the system at least quarterly, if needed.

We will also review our algorithms and perform other testing at least annually to ensure our models are performing as expected.

## Item 14 Client Referrals and Other Compensation

We do not receive any compensation from any third party in connection with providing investment advice to you.

We do have the option to pay referral fees or reduce Subscription Fees for "endorsers" or "promoters" for their referrals of new clients. These are generally referred to as "endorsements". If you are referred to us by either an endorser or a promoter, you will typically enter a code provided by the endorser or promoter when opening your account. A promoter is a current client of FLIT Invest while an endorser is not a current client. Referral fees do not increase the amount you pay us should you come to us directly.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

## Item 15 Custody

Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. While the money in your Funding Account is custodied at your Bank or similar financial institution (together "Bank") and your investments are custodied at Apex, we will directly debit your monthly fee directly your Funding account as described in our agreement with you and in Item 5 of this Brochure. You will receive account statements from the qualified custodian, Apex Trading, holding your funds and securities. If you have a question regarding your account statement or if you did not receive a statement from Apex, contact them directly. The amount of fees deducted from your Funding Account will be detailed on your monthly Bank statement.

The monthly payments for advisory fees, as described under Item 5 Fees and Compensation, will be withdrawn from your Funding Account via a third-party technology platform. Monthly transactions will be reviewed by FLIT Invest for accuracy before submission for processing and debiting. FLIT Invest has implemented checks and balances around these procedures.

Our firm will affect the transfers from your Funding Account to pay your required monthly fee as agreed to in writing in our agreement with you without obtaining your written consent for each separate, individual transaction. An adviser with authority to conduct such transfers is deemed to have custody of the client assets held in the account from which transfers are made and is required to obtain a surprise annual audit or meet an exception to this audit. The results of our annual surprise audit will be reported to the SEC and will be available for review on our Form ADV, Section E through the SEC's Advisor Public Disclosure website at <https://adviserinfo.sec.gov/> or upon request.

## **Item 16 Investment Discretion**

Before you can utilize our app, you must execute our customer agreement, which includes our discretionary management agreement and the appropriate trading authorization forms to allow us to execute trades in your account through the app.

## **Item 17 Voting Client Securities**

We will not vote proxies on behalf of your advisory accounts. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

You will receive proxy materials directly from the account custodian. However, in the event we receive any proxy materials, we have no responsibility to vote them or forward the materials to you.

## **Item 18 Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

We have not filed a bankruptcy petition at any time in the past ten years.

## **Item 19 Requirements for State-Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

## **Item 20 Additional Information**

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. Profits and losses in our Trade Error account are retained or paid by FLIT Invest.