



# Part 2A of Form ADV: Firm Brochure

**MARCH 27, 2024**

**UPDATED AUGUST 22, 2024**

**NDVR, INC.**

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This brochure provides information about the qualifications and business practices of NDVR, Inc. ("NDVR," also referred to throughout as "we," "us" and "our"). NDVR is a registered investment adviser with the United States Securities and Exchange Commission (the "SEC"). Registration as an investment adviser does not imply any level of skill or training. The information in this brochure has not been approved or verified by SEC or by any state securities authority.

If you have any questions about the contents of this brochure, please contact us at (857) 326-6992 or [advisory@ndvr.com](mailto:advisory@ndvr.com). Additional information about NDVR is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**ITEM 2.**

## Material Changes

**ITEM 5**

Item 5 in this brochure was materially changed since the last annual NDVR brochure dated March 17, 2023, was filed. Specifically, it was changed to reflect a new fee structure for incoming clients, effective October 2023. It was updated August 22, 2024 to reflect the change in address.

**ITEM 3.**

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#### ITEM 4.

## Advisory Business

NDVR provides personal financial advice, financial planning, portfolio design and management services that we describe collectively as our “Wealth Optimization Services,” or simply “Services.” We offer our Services in the U.S. to individuals, families, and their related entities, such as trusts, estates, and charitable organizations, that open an NDVR account (each, a “Client,” also referred to throughout as “you” or “your”) and enter an NDVR Client Account and Investment Advisory Agreement (“Client Agreement”).

We built our Wealth Optimization Services with the goal of improving your financial outcomes. We design and manage intelligent portfolios that are personalized, adaptive, and optimized for the purposes of growing your wealth, protecting your planned cash flows, and efficiently transferring your estate to the next generation. Our approach is founded on rigorous and proprietary quantitative research and powered by advanced technology.

### PERSONALIZED PLANNING AND PORTFOLIO DESIGN

We provide our Services through proprietary digital tools with the support of NDVR personnel who are professional financial advisors (“NDVR Advisors”). The combination of advanced technology, quantitative investing techniques, and a dedicated team is designed to assist you in developing and pursuing your unique wealth optimization plans. Please see Item 8 for more information on our methods of analysis, investment strategies, and risk of loss.

#### NDVR Portal

As a Client, you can work with an NDVR Advisor and use the NDVR Portfolio Lab™ and NDVR Optimization Engine™, which we describe below. These tools and all the features of your NDVR account are accessible through the “NDVR Portal,” which includes any website, mobile application or other means of electronic access or communication through which we provide Services.

#### NDVR Portfolio Lab™

We use our proprietary digital tools to tailor our Services to each Client. Using the NDVR Portfolio Lab, you can create a plan for your portfolio that describes your: (i) initial investment, (ii) planned contributions and withdrawals over your intended time horizon, and (iii) current and future tax profile (together, your “Requirements”). You can also use the NDVR Portfolio Lab to set your priorities and investment preferences, including: (i) equity geographic diversification, (ii) socially responsible investing rules, (iii) restrictions, and (iv) investment factor overlays you would like to apply to your U.S. equity portfolio (together, your “Investment Instructions”). You will typically have Requirements and Investment Instructions for each unique portfolio that you engage us to manage (a “Portfolio”). As described below, we use the NDVR Optimization Engine™, which you access through the NDVR Portfolio Lab, to analyze potential portfolio configurations, or strategies, for you to consider and select.

#### NDVR Optimization Engine™

The NDVR Optimization Engine is powered by proprietary algorithms that we use to analyze your Requirements and Investment Instructions, the investments you could hold in your Portfolio, and potential future market conditions. The NDVR Optimization Engine uses rigorously researched models that incorporate historical and current data of various financial

assets, including U.S. equity securities, foreign equity securities, futures, options, and U.S. Treasury bills, notes and bonds, to generate realistic simulations of potential future market conditions. We model the performance of assets in different market and economic conditions by analyzing class returns, volatility, and correlation among the classes.

Our algorithms evaluate the performance of possible portfolios under those simulated conditions to generate a range of potential portfolio strategies. You can use the NDVR Portfolio Lab to evaluate these strategies and instruct us to implement a portfolio strategy that we show you; or you can make changes to your Requirements or Investment Instructions and generate new portfolio strategies. When you select a portfolio strategy and fund it, we will use the NDVR Optimization Engine to build and manage it as a live Portfolio. Each live Portfolio is subject to actual market conditions and investment choices. Each live Portfolio is allocated and re-balanced by our proprietary algorithms, under the oversight of our Portfolio Management team. For additional information regarding our portfolio design and management processes, please see Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.

NDVR’s Investment Committee (the “Committee”) is responsible for approving material changes in our portfolio design and management processes as well as related matters such as the design and operation of the NDVR Optimization Engine. The Committee can change these processes and related matters without prior notice to you, including, for example, by adjusting or overriding algorithms, by manually implementing recommendations they generate, and temporarily suspending trading if the Committee believes it is in the best interest of Clients to do so.

The NDVR Optimization Engine may invest in a range of Assets to create your Portfolio. When applied to your Portfolio, the term “Assets” includes all cash, stocks, bonds, commodities, mutual funds, exchange traded funds (“ETFs”), exchange traded notes (“ETNs”), money market funds, investments in other collective investment vehicles, futures, options, swaps, and other financial instruments and related contracts, whether certificated or uncertificated and whether for present or future delivery, and all rights and entitlements thereto, including the securities and other property and the proceeds thereof currently or in the future held in a designated custody account with a qualified, third-party custodian (a “Linked Custody Account”). As provided in your Client Agreement, you grant us discretionary authority to manage your Assets held in a Linked Custody Account. For purposes of this brochure, an “Account” consists of all the Assets held in one or more associated Linked Custody Accounts.

The NDVR Optimization Engine will manage your Portfolio and adjust the Assets that comprise it based on factors such as the passage of time, changing market conditions, tax efficiency, and unplanned contributions and withdrawals without any action required on your part and without notifying you prior to making such adjustments. We may, in our sole discretion but subject to your Requirements, Investment Instructions, and selected strategy, invest and manage your Portfolio in a way that differs from your initial Portfolio allocation, including to a material extent.

We will also adjust the Assets in your Portfolio based on new information that you provide us. Your Requirements, Investment Instructions, and corresponding Portfolios are unique and specifically designed for you based on the information you provide us. We encourage you to ensure your information is accurate and current.

We do not provide accounting, legal or tax advice, although (through the NDVR Optimization Engine) we will provide investment advice that takes into account your stated tax status and on that basis aims to maximize your after-tax performance. Clients should not construe any recommendation made by NDVR or any information in the NDVR Portal as tax or legal advice.

#### **Cash Delivery**

We manage your Portfolio pursuant to your Requirements, Investment Instructions, and selected strategy, and to account for the withdrawals in your Requirements. You can link checking and other accounts to your Account and instruct us to deliver cash directly to them on a one-time or recurring basis.

#### **NDVR Advisors**

When you open an Account, we will assign one or more NDVR Advisors to help you use our Services. You will be able to schedule consultations with your NDVR Advisor, who is available to provide personalized financial planning and advice, including advice relating to your use of the NDVR Portal and our proprietary tools, such as the NDVR Portfolio Lab and NDVR Optimization Engine, to create your Requirements, Investment Instructions, and Portfolios. NDVR Advisors are available by appointment and during normal business hours. They can be reached via telephone, email, or video. Any information NDVR and NDVR Advisors provide is not a substitute for the advice of a qualified attorney or tax advisor. You should consult with your attorney or tax advisor to discuss any legal or tax-related concerns.

Our advice is based on the information you provide us, including your Requirements and Investment Instructions associated with each Portfolio as well as personal attributes such as age, beneficiaries, employment status, estate planning objectives, and investment time horizon. We use our proprietary algorithms to monitor and manage your Portfolios. Your NDVR Advisor will contact you periodically to review your Requirements, Investment Instructions, and Portfolios. If you make material changes to your Requirements, Investment Instructions, or Account information, your NDVR Advisor might contact you to discuss them. Discussions with your NDVR Advisor are not a substitute for updating, as necessary, your Requirements, Investment Instructions and selected strategy.

Our founder, CEO and President, Michael Simon, is the principal owner of NDVR. NDVR was incorporated in Delaware on January 23, 2019. As of January 31, 2024, NDVR managed \$175,400,000 of Client Assets.

#### **ITEM 5.**

## Fees and Compensation

#### **FEES**

We have two different fee structures: the fee schedule offered to all new Clients (the “Standard NDVR Fee”) and the fee offered to Clients prior to October 2023 (the “Historical NDVR Fee”). In our sole discretion, we reserve the right to offer a Client another fee or waive or reduce a Standard NDVR Fee or Historical NDVR Fee.

#### **STANDARD NDVR FEE**

We typically charge a fee for the Services provided under the Client Agreement that is a tiered, monthly fee based on the market value of the assets NDVR manages per Client household (the Standard NDVR Fee). Each pricing tier is assessed on the market value of the Assets in each Client Account at the end of each month. Note that each portfolio forecast is done in isolation. Therefore, if we manage additional assets for a particular Client that are not held in the forecasted portfolio, then actual fees may be lower.

- First \$2M: 0.75%;
- Next \$2M - \$5M: 0.65%;
- Next \$5M - \$10M: 0.55%;
- Over \$10M: 0.45%

The NDVR Fee is paid monthly, and the fees shown above are annualized. The NDVR Fee for a calendar month is calculated as of the last Business Day of that month and is due and payable on the first day of the next month. For example, the NDVR Fee for February should be paid in March based on the Pricing Tier and the market value of the Account as of the close of business on the last business day of February. If an Account is funded after the first day of a calendar month, the NDVR Fee for that month is not pro-rated. If the assets under management for a particular Client are \$0 before the last business day of a calendar month, no NDVR Fee is assessed for that month.

The NDVR Fee may be reduced for Clients that are a part of the same household.

#### **HISTORICAL NDVR FEE**

For individuals who became Clients before October 2023, NDVR typically charges a fee for the Services provided under the Client Agreement that is comprised of (i) a monthly membership fee, which is the minimum fee we charge for the services we provide at the Membership Tier you select (“Membership Fee”) plus (ii) a charge based on the market value of the Account as determined by NDVR (“AUM Charge”). The AUM Charge is typically 0.025% per month of the market value of Assets in each Client Account. We refer to the Membership Fee and AUM Charge collectively as our “Historical NDVR Fee.”

#### **MEMBERSHIP TIERS**

##### **Family**

##### *Allowances*

- Up to 5 Portfolios
- Up to \$10 million in aggregate assets (or AUM) across all Portfolios
- Revocable Trust Accounts

##### *Membership Fee*

- \$400 per month

##### *AUM Charge*

- 0.025% per month

##### **Legacy**

##### *Allowances*

- Up to 10 Portfolios
- Up to \$25 million in aggregate assets (or AUM) across all Portfolios
- All Trust Accounts

##### *Membership Fee*

- \$1,000 per month

#### AUM Charge

- 0.025% per month

#### Mosaic

##### Allowances

- Unlimited Portfolios
- No limit on aggregate assets (or AUM) across all Portfolios
- All Trust Accounts

##### Membership Fee

- \$2,500 per month

#### AUM Charge

- 0.025% per month

The two components of our Historical NDVR Fee are determined and billed monthly as described below. The Membership Fee for a calendar month is due and payable on the first day of that month. If the Client Agreement is terminated subsequently, during that month, no portion of the Membership Fee will be refunded.

The AUM Charge for a calendar month is calculated as of the last business day of that month and is due and payable on the first day of the next month. For example, the AUM Charge for February will be paid in March based on the Membership Tier selected and the market value of the Account as of the close of business on the last business day of February. If an Account is funded after the first day of a calendar month, the AUM Charge for that month will not be pro-rated. If the assets under management for a particular Client are \$0 before the last business day of a calendar month, no AUM Charge will be assessed on the Account for that month.

#### DEDUCTION OF FEES

We deduct our Fee automatically from most Client Accounts. For certain Client relationships, NDVR may aggregate Accounts within the same Client relationship for Fee calculation and billing purposes; therefore, the actual fee assessed on each of those Accounts each month may be more or less than the agreed upon rate. In certain circumstances (e.g., retirement accounts), NDVR will debit a different Client Account, charge a credit card, or invoice the Client or a third-party separately.

Fees charged by NDVR are negotiable and can be different than those specified above. In certain circumstances, NDVR discounts or waives Fees. Further, NDVR employees, stockholders, and members of their households (collectively, "Affiliated Persons") typically receive services from NDVR at a discount from the standard rate or at no charge.

We are permitted under the Client Agreement to change our Fee at any time by giving you thirty days' prior written notice. Following the notice period, the new Fee will become effective unless you have terminated the Client Agreement in accordance with the terms thereof.

#### VALUATION OF ASSETS

The valuations of marketable securities are typically made by the custodian of the Linked Custody Account and follow their valuation procedures. Secondary pricing sources may also be used to validate prices the custodian provides or fails to provide. NDVR takes the valuation of assets and the calculation of its Fees seriously and reconciles trade orders and confirmations as well as Account balances to verify their accuracy. Clients should also verify whether the correct Fees are being applied to their Accounts. A Client's statement from the custodian reflects all amounts disbursed from

the Client's Account, including the amount of any Fee paid to NDVR.

#### ADDITIONAL FEES AND COSTS

##### Collective Fund Fees and Expenses

Investments in collective investment funds, such as mutual funds, ETFs, and privately offered pooled investment vehicles, such as hedge funds, private equity funds or other similar vehicles (collectively and together with mutual funds and ETFs, "Investment Funds") generally include an embedded expense ratio composed of an investment management fee and/or carried interest paid to the investment adviser of the Investment Fund and other administrative and operating expenses. Therefore, any Client investments in Investment Funds are subject to those fees. An explanation of the fees and expenses paid by each Investment Fund is contained in that fund's offering document. It is important to note that in recommending these investments, NDVR examines the performance and attributes of the Investment Funds on a net-of-fees basis.

##### Custodial Fees

As noted in *Items 4 and 15*, Assets are held by one or more third-party custodians. The Client is solely responsible for paying for any custodial costs of their Accounts. NDVR has no responsibility for determining or negotiating the custodial costs of an Account.

##### Brokerage Fees

Clients are solely responsible for all brokerage commissions and other transaction costs, which will be charged directly to their Accounts. NDVR does not receive any portion of these commissions or costs. Brokerage fees are set by the custodian or other broker. For additional information regarding brokerage practices, please see *Item 12 – Brokerage Practices*, below.

##### Other Fees and Expenses

In addition to NDVR's Fee and the specific fees and expenses listed above, you will bear any other expenses, liabilities, charges and costs incurred in connection with the Services you receive under the Client Agreement, including but not limited to any commissions, transfer fees, registration fees, exchange fees, settlement fees, interest on margin loans and stamp duty, tax or other fiscal liabilities or any other transaction related expenses and fees arising out of transactions in the Account incurred by us, or delegates or third parties in performing the Services under the Client Agreement.

During the Account-opening process, you will provide the custodian with written authorization to have NDVR's Fee deducted from your Linked Custody Account and paid to us, or you will make alternative arrangements with us regarding the payment of NDVR's Fee. The custodian will send statements, at least quarterly, showing all disbursements from the Linked Custody Account including the amount of NDVR's Fee, (please refer to *Item 13 – Review of Accounts* for more information regarding statements). We will, in our discretion, order the sale of investments held in the Account in amounts necessary to pay the Fee or other charges, including initial, maintenance, or variation margin requirements, as applicable, in connection with open transactions in the Account.

If margin is employed in the management of your Portfolio and increases the market value of Assets in your Account, the corresponding Fee payable by you to us will increase because we calculate your Fee based on the market value of Assets in your Account. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, if you are authorizing margin, you are advised of the conflict

of interest between you and us that arises from the fact that the use of margin will increase the Fee payable to us. We seek to mitigate this conflict of interest by allowing margin accounts only when you authorize us to do so, typically during the Account-opening process, and recommending margin accounts only when we believe they are beneficial for your overall circumstances. Please refer to *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss* for more information.

#### ITEM 6.

## Performance-Based Fees and Side-By-Side Management

“Performance-Based Fees” are fees that include a percentage of the capital gains or capital appreciation of Client investments. NDVR does not charge performance-based fees.

“Side-by-Side Management” refers to the management of multiple accounts with similar investment strategies and different fee structures. An adviser with side-by-side management has an incentive to allocate better performing assets to the performance-based fee accounts rather than fixed or asset-based fee accounts because the adviser stands to earn a larger fee. Because NDVR does not charge performance-based fees, these side-by-side management conflicts do not arise between NDVR and our Clients.

#### ITEM 7.

## Types of Clients

We provide Wealth Optimization Services to Clients in the United States, including its territories and possessions. We do not apply other, specific criteria for someone to be accepted as a Client and do not have a minimum account size; rather, we evaluate each applicant on a case-by-case basis. Currently, NDVR Clients are individuals and high net worth individuals, and NDVR anticipates having additional types of Clients.

#### ITEM 8.

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

### METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Our investment advice is designed to seek optimal financial outcomes for each Portfolio that a Client engages us to manage. In pursuit of that objective, we work to: (i) use the NDVR Optimization Engine to personalize the Portfolio for the Client and manage it adaptively as conditions change, (ii) prioritize efficient Portfolio construction and management, and (iii) offer sophisticated investment strategies to Clients whose Requirements and Investment Instructions warrant their use.

### Personalized Portfolio Design and Adaptive Management

The NDVR Optimization Engine begins formulating potential portfolio de-

signs by understanding a Client’s aspirations and obligations for their Portfolio. These are recorded in the Client’s Requirements and Investment Instructions, as described in *Item 4 – Advisory Business*. They include the types of accounts NDVR will manage, any planned contributions, withdrawals, and transfers, tax profile, priorities, investment preferences and, in some cases, information about external accounts that the Client may have shared with us.

We believe this information provides a more detailed, objective, and useful picture of a Client’s desired financial outcomes than the standardized questionnaires and subjective risk assessments that many traditional advisors use. We use the information each Client provides in their Requirements and Investment Instructions to suggest a range of potential portfolios that could meet the Client’s individual needs rather than assigning them to a model portfolio that is used for multiple people and designed for no one in particular.

To create a Portfolio designed to try to maximize the likelihood of meeting, or exceeding, the Client’s aspirations and obligations for it, the NDVR Optimization Engine analyzes the Client’s Requirements and Investment Instructions and a range of candidate portfolios, which we derive from those inputs. The strategies used by the candidate portfolios span the risk spectrum, from those seeking maximum growth to others that focus on capital preservation and protecting planned withdrawals, as well as blended strategies that balance multiple objectives. We describe those strategies in *Intelligent Investment Strategies* below.

We use the NDVR Optimization Engine to assess the behavior of each candidate portfolio and its potential to meet the Client’s objectives across a large set of simulated, realistic market conditions, as described in *Item 4 – Advisory Business*. The Optimization Engine identifies one or more portfolio designs, or strategies, that seek to fit the Client’s stated objectives. The Client can decide to implement a candidate portfolio that we show them to create their Portfolio, revise their Requirements or Investment Instructions and run a new optimization, or select a different portfolio strategy. NDVR Advisors help the Client with that process.

A Client’s Portfolio constitutes an initial allocation to a specific, custom set of Assets. A Client’s Portfolio is managed by our proprietary algorithms, under the oversight of our Portfolio Management team, and it will change over time. On an ongoing basis, our proprietary algorithms incorporate new market data, monitor the Portfolio’s performance, analyze potential trades, and adjust the Portfolio. The actual mix of Assets at any time will be informed by the Client’s Requirements, Investment Instructions, selected strategy, market conditions, and the NDVR Optimization Engine. The mix of Assets in a given Portfolio will also depend on that Portfolio’s size and the minimum trade sizes and costs of trading certain Assets.

### Efficient Portfolio Construction

We offer multiple portfolio options along the efficient frontier, which we expect to offer the maximum return for the level of risk that the Client selects (stated differently, the minimum risk given the expected return), using the Assets that we manage, in a cost-effective manner. We also offer additional portfolio options that can be selected by Clients based on their individual investment preferences. Through rigorous, quantitative research, we seek to identify the optimal asset classes in which to invest and individual Assets within each class that provide efficient exposure to the class, while our proprietary algorithms seek the ideal mix of Assets for a Client’s Portfolio based on their Requirements and Investment Instructions.



The NDVR Optimization Engine evaluates Assets to buy or sell for a Portfolio based on a variety of factors, including their expected risk, return, tax attributes, liquidity, trading costs, and expense ratios. We invest Client Portfolios in individual securities and other financial instruments as well as collective investment funds when they provide efficient exposure to an asset class. We evaluate collective investment funds using a variety of metrics, including those listed above.

### **Intelligent Investment Strategies**

Our portfolio design process seeks to balance multiple distinct objectives that can be in tension with each other, such as seeking growth, preserving capital and protecting planned withdrawals. We use the NDVR Optimization Engine to create unique candidate portfolios that combine growth and protected withdrawal strategies to align with a Client's Requirements and Investment Instructions. The NDVR Optimization Engine then adapts the Portfolio over time and as market conditions change to maintain the desired asset allocation for the selected strategy.

### **Growth Strategy**

Each Client has their own growth objective and risk profile. From the candidate portfolios generated by the NDVR Optimization Engine, each Client selects a unique Portfolio to pursue their growth objective while mitigating risk through diversification and by evaluating the potential for funding shortfalls.

We believe a well-diversified blend of equity and fixed income securities should form the bedrock of most growth-oriented investment portfolios. Each of those asset classes offers growth-investment opportunities because investors demand compensation to hold those assets. The equity premium is the amount required to incentivize equity investors to own assets that tend to realize losses during times of economic stress. The term premium is the amount required to incentivize bond investors to own assets that tend to realize losses when yields rise. The credit premium is the amount required to incentivize bond investors to own assets that have default risk.

Historically, a well-diversified portfolio with investments in both of these asset classes has conferred additional benefits by providing investors with similar expected returns as investing in either equity or fixed income securities alone, but with lower overall expected portfolio volatility. The risk-diversified portfolio has attenuated the potential losses that would have otherwise occurred with concentrated holdings. A similar principle may be applied geographically, by diversifying globally rather than concentrating investments in individual markets.

A Client's risk profile, as indicated by their Requirements, Investment Instructions and selected strategy, informs portfolio construction. For example, a risk-averse Client might select a growth strategy that allocates more Assets to fixed income securities than equities, favors shorter-maturity bonds and employs no leverage; whereas an aggressive Client might select a growth strategy that allocates more Assets to equities than fixed income, favors longer-maturity bonds, and may employ leverage. A Client's Portfolio can target exposure of up to 200% of the net asset value of the Assets allocated to growth. Due to market fluctuations, the actual exposure in a portfolio at any given time could be more or less than the target, and the same is true of the targeted asset allocation. Unless a Client chooses in their Investment Instructions to concentrate their investments in one asset class or region, their growth strategy will seek to diversify risk across asset classes and geographically.

A Client's growth strategy is typically built by the NDVR Optimization Engine and may use the following Assets in combination:

- Individual equity securities, for the equity premia and to enable factor-based investing and tax-loss harvesting;
- Equity index options, for further customization of the equity exposure profile;
- U.S. Treasury bills, notes, and bonds, for the term premia;
- U.S. Treasury note futures and bond futures, for the term premia, tax efficiency, and embedded leverage;
- Treasury futures options, for further customization of the bond futures exposure profile;
- VIX Index futures, for the volatility premia;
- VIX Index options, for further customization of the volatility premia; and
- ETFs, ETNs, or other types of collective investment funds, for efficient exposure to certain asset classes, such as foreign bonds and equities, commodities, and real estate, as well as tax management.

Other Assets, with different observed risk and return attributes, can additionally be included in the Client's Portfolio.

### **NDVR Lifestyle Protection™**

Investors typically seek higher returns when holding growth assets because those investments will occasionally have losses, some of which can be large. Losses are always unwelcome, but an ill-timed loss can cause irreparable harm to an investor's ability to fund planned spending. Recognizing that some spending plans cannot be adjusted as portfolio values fluctuate, we believe that many Clients are well-served to allocate a portion of their Portfolios to fund some or all of their spending plans and thereby insulate those plans against potential losses in their growth allocations.

For each of those Clients, the NDVR Optimization Engine can build a custom combination of cash and fixed income securities. To fund short-term spending plans, we can, for example, hold cash and cash equivalents, and we can buy short-term, high-credit-quality instruments, such as U.S. Treasury bills that are matched to the Client's liquidity needs. The principal repayments from those securities fund the short-term cash flows required by the Client's spending plan. To protect longer-term spending plans, we can take an immunization-based approach, aligning the duration of a Client's cash flow needs with the duration of U.S. Treasury bills, notes, or bonds that we purchase and cash that we hold to fund some or all of the Client's planned spending. The protected withdrawal portion of a Client's Portfolio is designed to fund some or all of the Client's planned spending even when markets suffer.

Allocating a portion of a Client's wealth to protect planned spending can also enable a more aggressive growth allocation.

### **RISK OF LOSS**

All investing involves a risk of loss that Clients should be prepared to bear, including the risk that the entire amount invested can be lost. Margin accounts bear additional risk of loss. Your Portfolio could lose money over short or long periods of time. There are no assurances that NDVR's investment strategies or recommended investments will succeed, and NDVR cannot guarantee



that Clients will achieve their investment objectives or receive a return of their original investments.

The fact that a recommendation or guidance is generated by NDVR's Optimization Engine or made by an NDVR Advisor cannot be interpreted as and is not a guarantee of future performance. Other investments not considered by the NDVR Optimization Engine can have characteristics similar or superior to those being analyzed. You must understand that past performance and portfolio simulations are not indicative of future results, and simulations and generated outcomes are hypothetical by nature. Therefore, current and prospective Clients should never assume that future performance of any specific investment or investment strategy will be profitable, and Clients must understand that simulations are speculative in nature and therefore have risks and limitations to their relevance and use. Results can vary with each use of any interactive analysis tool, including the NDVR Optimization Engine. Further, the risk in your Portfolio will vary based on the individual Assets and the mix of Assets you hold.

Below is a summary of potentially material risks for NDVR's strategies, methods of analysis, and the Assets typically held in Clients' Accounts. The risks noted below are applicable to Investment Funds purchased for Clients' Accounts and any Assets overseen directly by NDVR. The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment, all of which Clients must be prepared to bear.

There are certain specific risks associated with our investment process, including but not limited to:

- **Model Risk** – The proprietary algorithms used by the NDVR Optimization Engine, which both generates a range of candidate portfolios and, once a candidate portfolio has been selected and funded by a Client, invests the live Portfolio, are designed to produce realistic simulations that inform portfolio construction. Human errors or system errors could impede their accuracy and the efficacy of our Services. The NDVR Optimization Engine takes into account asset class dynamics, with mechanisms that include volatility that evolves over time as well as correlations across assets and asset classes, and dynamic dependence on initial conditions. As market dynamics change over time, a previously highly realistic model could become outdated or inaccurate, perhaps without our algorithms or Investment Committee recognizing the change before further recommendations are made. Further, the NDVR Optimization Engine might rebalance a Portfolio during a period of heightened market volatility. Changes made within the NDVR Optimization Engine may not always have the desired or intended effects. The simulations are forward-looking projections based primarily on historical data. They are inherently uncertain and there is no guarantee that any Portfolio will meet its objectives.
- **Technology Risk** – We generate investment recommendations with our proprietary software that utilizes our models. Such software-generated recommendations, like all systematic investment recommendations, are subject to system errors. We make no guarantee or representation that the investment recommendations will be successful. In addition, the operation of the software is subject to human errors, processing or communication errors or system failures. We might override the systematic investment recommendations made by our software if they appear to be erroneous or if, as

described in *Item 4 – Advisory Business*, we believe it is in the best interest of Clients to do so. However, any such adjustment also carries risk, and changes made to our software may not always have the desired or intended effects. As such, Clients are urged to verify any recommendations NDVR makes with their own legal, tax and economic advisors and to conduct their own due diligence on recommended investments before following any recommendation.

- **Reliance on Third-party Information** – NDVR conducts its analyses using data obtained from third parties. NDVR relies on current and historical data regarding markets, securities, other financial instruments, collective investment funds, and other matters from unaffiliated data providers. Although they are generally considered reliable, there can be inaccuracies or discrepancies in the data they provide. NDVR's recommendations are also based on the information and data provided by the issuers of securities. Although NDVR, through its proprietary software, evaluates such information and data, NDVR is not in a position to confirm the completeness or accuracy of such information and data, and in some cases, complete and accurate information is not readily available.
- **Reliance on Client Inputs** – NDVR generates ranges of potential portfolios, from which Clients select, based on the Requirements and Investment Instructions provided by Clients, and NDVR relies on Clients to provide accurate information. If a Client provides inaccurate or incomplete information, allows information to become inaccurate by failing to update it in a timely manner, or does not verify that NDVR has accurate information about them, this will impact the quality of NDVR's advice. The Requirements and Investment Instructions are the sole basis on which the NDVR Optimization Engine generates candidate portfolios and, therefore, are the sole basis for NDVR's portfolio investment advice to a Client through its proprietary algorithms. NDVR generally does not have access to Client information not entered in the NDVR Portal and Clients should in no event assume that financial, tax, or other circumstances, other than those identified in the Requirements and Investment Instructions, are being taken into account in generating investment advice. There can be no assurance that investment recommendations will ultimately meet a Client's objectives, and the Services provided through the NDVR Portal do not purport to represent a comprehensive financial plan for any Client. Rather, the Services are targeted to assist Clients in meeting the specific financial goals identified in the Requirements and Investment Instructions.

There are certain additional risks associated with investing in securities generally and in specific financial instruments, including but not limited to:

- **Market and Economic Risk** – The values of Assets in an Account can decline due to changes in general economic and market conditions, as well as other circumstances and events beyond NDVR's control. An Asset's value can change in response to developments affecting entire economies, markets or industries, including changes in interest rates; policies and laws, pandemics or natural disasters; climate change; wars, invasions, or terrorist attacks; changes in governments; and general market and global volatility. Predictions about financial market conditions and economic factors are highly uncertain, and the presence, duration, and impact of any market or

economic conditions could have a materially adverse effect on NDVR's investment strategies and a Client's portfolio. Past disruptions in the global financial markets have had materially adverse consequences for the values and liquidity of certain types of Assets, including the types of Assets that Clients hold in their Accounts. Similar or dissimilar disruptions including catastrophic events can occur in the future, and the duration, severity and ultimate effect of such disruptions or events are difficult to forecast. In the event of a significant market disruption, NDVR or a custodian may delay or suspend trades in Client Accounts. Such trading delays or suspensions could result in lower returns and an inability to effect portfolio management practices such as regular rebalancing.

- **Foreign Investing and Emerging Markets Risk** – Foreign investing involves risks in addition to those associated with U.S. investments. These risks include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. These risks are often exacerbated in emerging market countries. In addition, foreign investing often involves less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industries. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique custodial, trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.
- **Legislative and Regulatory Risk** – Performance is often affected directly or indirectly by legislation or regulation, which include, but is not limited to: changes in regulations that apply to NDVR or Clients' Accounts, the markets in which NDVR trades Assets for Clients' Portfolios and the Assets themselves; changes in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in tax codes that could affect interest income, income characterization, tax rates or reporting obligations.
- **Equity Securities** – Prices of equity securities are often adversely affected by many factors, such as an issuer experiencing losses or earnings declines or failing to meet investors' or customers' expectations with respect to new products or services. Equity prices can also be affected by factors that are not directly related to the value or condition of the issuer. Geopolitical, economic, and public health risks can trigger broad equity market declines (see also above, Market and Economic Risk). Further, concentrating or overweighting investments in certain equities, whether equities in certain geographies (such as the U.S., developed, or emerging markets) or equities that exhibit certain factors (such as momentum, value or quality) subjects Client Portfolios to the risk that their performance can be lower than the performance of portfolios that focus on other types of stocks or that have a broader or more neutral investment style (such as an equal weight of the general market). Equity securities are typically characterized by greater volatility than investments in other securities, such as highly rated, short-term, fixed income securities.
- **Fixed Income Securities** – Fixed-income securities are subject to credit risk, or the risk that principal and interest payments won't be made when due, as well as the risk that the securities could lose value because of interest rate changes. For example, bonds tend to decrease in value if interest rates rise. Fixed income securities with longer maturities sometimes offer higher yields, but they are subject to greater price shifts as a result of interest rate changes than fixed-income securities with shorter maturities.
- **Options Risk** – Options on securities are subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- **Derivatives** – A derivative is a financial instrument that derives its value from the value (or change in value) of an underlying index or asset. Derivatives can be volatile and involve various types and degrees of risks, depending upon the characteristics of a particular derivative. Derivatives typically entail investment exposures that are greater than their initial cost would suggest, meaning that a small investment in a derivative could have a large potential impact on the performance of a Portfolio. A Portfolio could experience losses if derivatives do not perform as anticipated, if they are not correlated with the performance of other investments being hedged by the derivatives, or if they cannot be liquidated because of an illiquid secondary market. Derivatives can make a Portfolio less liquid and difficult to value, especially in declining markets. The benefit of a derivatives transaction can be lost if the counterparty fails to honor contract terms.
- **Short Sales** – A short sale is a transaction in which a party sells a security it may not own in anticipation of a decline in market value of that security. When a short sale is made for a Client's Portfolio, the proceeds the Client receives are retained by the broker until the borrowed security is replaced. To deliver the security to the buyer, NDVR arranges to borrow the security for the Client's Portfolio through the broker and, in so doing, the Client becomes obligated to replace the security borrowed at its market price at the time of replacement, whatever that price may be. Short positions in futures and options create opportunities to increase a Client's return but, at the same time, involve special risks and are considered speculative. Short sales theoretically involve unlimited loss potential, as the market price of futures or options sold short can continuously increase, although NDVR may mitigate such losses by replacing the futures or options sold short before the market price has increased significantly. Under adverse market conditions, NDVR might have difficulty purchasing futures or options to meet a Client's short sale delivery obligations and might have to sell securities to raise the capital necessary to meet the short sale obligations at a time when fundamental investment considerations would not favor such sales.
- **Commodity Trading** – NDVR can recommend investments in commodities or Investment Funds that participate in commodities trading. The prices of commodities and all related derivative instruments, including futures and options contract prices, are highly volatile. Price movements of commodities, futures, and options contracts

are influenced by, among other things, changing supply and demand relationships, domestic and foreign governmental programs and policies, national and international political and economic events, interest rates and governmental monetary and exchange control programs and policies. Moreover, certain commodity exchanges limit fluctuations in commodity futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” During a single trading day, no trades can be executed on these exchanges at prices beyond the daily limit. Commodity futures contract prices have occasionally moved the daily limit for several consecutive days with little trading. Similar occurrences could prevent the prompt liquidation of unfavorable positions and subject a Client Portfolio to substantial losses. Negative values for commodity futures contracts involving physical delivery of the commodity can similarly subject a Client Portfolio to substantial losses.

- **Precious Metals** – Precious metals, such as gold, silver, platinum, and palladium, have been subject to substantial price fluctuations over short periods of time and can be affected by unpredictable monetary and political policies such as currency devaluations or revaluations, economic and social conditions within a country, trade imbalances, or trade or currency restrictions between countries. Investments in precious metals can present concerns such as delivery, storage and maintenance, possible illiquidity, and the unavailability of accurate market valuations. Clients typically incur higher custody and transaction costs for precious metals than for securities. Also, investments in precious metals do not generate income.
- **Counterparty Risk** – To the extent that Clients invest in bilateral swaps, “synthetic” or derivative instruments, repurchase agreements, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, Client Portfolios bear the risk of non-performance by the other party to the contract. This risk includes credit risk of the counterparty and the risk of settlement default. This risk differs materially from the risks involved in exchange-traded transactions, which generally are supported by guarantees of clearing organizations, daily mark-to-market and settlement and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from these protections and expose the parties to the risk of counterparty default.
- **Margin Risk** – When you purchase commodities, derivatives, options, securities and related financial instruments, you may pay for them in full or borrow part of the purchase price from your Account’s custodian or clearing firm. If you borrow funds in connection with your Account or if you hold certain Assets, such as bond futures, you will be required to open a margin account, which will be carried by the custodian. The securities purchased in such an account are the custodian’s collateral for its loan to you.

If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the custodian is required to take action to maintain the necessary level of equity in your Account. The custodian then issues a margin call and/or sells other assets in your Account.

Some of the risks involved in margin trading include the following:

- You can lose more funds than you deposited in your margin account.
  - The custodian or a clearing firm can force the sale of investments in your Account.
  - The custodian or a clearing firm can sell your investments without contacting you.
  - You are not entitled to choose which investments in your Account may be liquidated or sold to meet a margin call.
  - The custodian can move investments in your Account to your margin account and pledge the transferred investments.
  - The custodian or a clearing firm can increase its “house” maintenance margin requirements at any time and they are not required to provide you with advance written notice.
  - You are not entitled to an extension of time on a margin call.
- **ETF, Mutual Fund, and Pooled Investment Vehicle Risk**– If we invest in an ETF, mutual fund, or pooled investment vehicle (collectively herein, the “fund”) for you, you will bear additional expenses based on your pro rata share of the fund’s expenses and fees, including its management fees. Therefore, Clients should be aware that to the extent they invest in a fund they will pay additional levels of advisory compensation – for example, the advisory fee and expenses charged for the NDVR account plus any fees and expenses charged for the issuer of the fund such as brokerage costs and transaction fees.

Funds also typically pay embedded expenses that reduce their net asset values, and therefore directly affect their performance and indirectly affect a Client’s Portfolio performance. In addition to management fees, expenses of the fund generally include custodian fees, brokerage commissions, and legal and accounting fees. Fund expenses may change from time to time at the sole discretion of the fund’s issuer. The fund’s issuer, in certain cases, discloses its current information, including expenses.

The risk of owning a fund generally reflects the risks of owning the underlying securities or interests the fund holds but a fund’s performance may not exactly match the performance of the index or market benchmark that it could be designed to track because: (i) the fund will incur expenses and transaction costs not incurred by any applicable index or market benchmark; (ii) certain securities comprising the index or market benchmark tracked by the fund may, from time to time, temporarily be unavailable; and (iii) in the case of an ETF, supply and demand in the market for either the ETF or for the securities held by the ETF can 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 and mutual fund strategies can 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.

- **Alternative Investment Risk** – Clients may hold investments in alternative Investment Funds such as hedge funds, private equity funds or other similar vehicles. These investments are susceptible to many of the same risks as other securities (and funds described above) but also include characteristics and risks related to liquidity, transparency, taxes, and fund valuation that do not arise in ETFs or traditional mutual funds that provide daily pricing and liquidity.

#### **ADDITIONAL RISKS INCLUDE BUT ARE NOT LIMITED TO:**

- **Cybersecurity Risk** – NDVR and other market participants depend on complex and often interconnected information technology and communications systems to conduct business functions. These systems are subject to a number of different threats and other risks that could affect NDVR and Client Accounts. For example, unauthorized parties can attempt to improperly access, modify, or disrupt the operations of, encrypt, or otherwise prevent access to the systems of NDVR, service providers, and counterparties, as well as to the data stored by these systems and entities. Ransomware and similar attacks also can cause substantial business disruption. Other cybersecurity related threats and risks include but are not limited to theft, identity theft, physical damage, reputational damage, additional compliance costs, increased insurance premiums, regulatory penalties and costs, remediation costs, and litigation risk.
- **Risk of Artificial Intelligence** – NDVR’s ability to use, manage and aggregate data may be limited by the effectiveness of its policies, systems and practices that govern how data is acquired, validated, used, stored, protected, processed and shared. Failure to manage data effectively and to aggregate data in an accurate and timely manner may limit NDVR’s ability to manage current and emerging risks, as well as to manage changing business needs and to adapt to the use of new tools, including AI. AI tools may produce inaccurate, misleading or incomplete responses that could lead to errors in NDVR’s and other’s decision-making, portfolio management or other business activities, which could have a negative impact on NDVR and/or Client Accounts. Such AI tools could also be used against NDVR and/or Client Accounts in criminal or negligent ways. Ongoing and future regulatory actions with respect to AI may alter the ability of businesses to use AI and operate and intended, including for NDVR. AI and the use of AI is rapidly evolving, as are the limitations and risks associated with such use, misuse, or lack of use. The above is not a complete description of the current or emerging risks associated with AI.
- **Custody and Banking Risk** – Clients maintain funds and securities with one or more banks or other depository institutions (“banking institutions”), which may include U.S. and non-U.S. banking institutions, and Clients may enter into credit facilities or have other financial relationships with banking institutions. The distress, impairment or failure of one or more banking institutions with whom the Client and others transact may inhibit the ability of the Clients to access depository accounts or credit, at all or in a timely manner. In such cases, Clients may be forced to delay or forgo investments, which could result in lower performance. In the event of such a failure of a banking institution where a Client holds depository accounts, ac-

cess to such accounts could be restricted, and U.S. Federal Deposit Insurance Corporation (FDIC) protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to banking institutions in other jurisdictions not subject to FDIC protection). In such instances, Clients may not recover such excess, uninsured amounts and, instead, would only have an unsecured claim against the banking institution and participate pro rata with other unsecured creditors in the residual value of the banking institution’s assets. The loss of amounts maintained with a banking institution or the inability to access such amounts for a period of time, even if ultimately recovered, could be materially adverse to Clients.

#### **ITEM 9.**

## Disciplinary Information

NDVR does not have any disciplinary information to disclose.

#### **ITEM 10.**

## Other Financial Industry Activities and Affiliations

NDVR does not have any activities or affiliations to disclose. NDVR does not receive compensation other than the Fees described in Item 5. Please see Item 12 for more information on brokerage practices, including benefits received from brokerage relationship(s).

#### **ITEM 11.**

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

#### **CODE OF ETHICS**

NDVR has adopted a written Code of Ethics (the “Code”) that reflects NDVR’s fiduciary duties to its Clients and applies to all officers and employees of NDVR and our wholly owned subsidiary (collectively, “NDVR Personnel”). The Code, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the “Advisers Act”), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations for personal investing activities.

NDVR designed the Code to establish principles of conduct and to help detect and address conflicts of interests that could arise between NDVR or persons covered by the Code, on the one hand, and NDVR’s Clients, on the other. The Code is also designed to ensure that NDVR Personnel conduct their investing activities in accordance with applicable law and in a manner consistent with NDVR’s fiduciary duties to our Clients. The Code requires, among other things, that NDVR Personnel with access to non-

public information regarding purchases or sales of securities for Clients or involved in making securities recommendations to Clients that are non-public pre-clear their personal transactions in certain securities. The Code also requires such NDVR Personnel to report certain accounts and securities holdings covered by the Code at the commencement of their employment and annually thereafter. In addition, on a quarterly basis, such NDVR Personnel are required to report the establishment of new accounts and certain securities transactions executed during the quarter. NDVR's Chief Compliance Officer, or a designee, reviews these reports to monitor the personal trading activity of such NDVR Personnel to determine whether it meets the requirements of the Code.

NDVR Personnel are generally allowed to buy, sell, and hold investments that are the same as or different than those bought, sold, held, or otherwise recommended by NDVR for Client Accounts. This presents a potential conflict of interest between the personal trading activities of NDVR Personnel and the trading and investment activities conducted by NDVR on behalf of its Clients. For example, NDVR Personnel may have a financial incentive to buy or sell securities for your Accounts that they hold or would like to acquire, although this incentive is limited because we generally recommend investments in highly liquid securities to our Clients and because our trading in these securities individually and in the aggregate for Client Accounts is unlikely to materially impact the securities' prices or availability.

Further, it is the express policy of NDVR that NDVR Personnel will not use material, non-public information in deciding whether to purchase or sell any security, including those being traded for a Client Account. This policy is intended to prevent them from benefiting from transactions placed on behalf of your Account or violating applicable laws. NDVR Personnel are also generally prohibited from buying or selling individual equity securities or options on those securities without pre-clearance. NDVR may disapprove any proposed transaction, particularly if the transaction appears to pose a conflict of interest or otherwise appears improper. Certain securities are exempt from some of the requirements of the Code.

NDVR trains NDVR Personnel on the requirements of the Code. The Chief Compliance Officer periodically reviews the Code to evaluate its effectiveness. A copy of NDVR's Code will be provided to any Client or prospective client upon request.

#### **RESOLVING OTHER CONFLICTS OF INTEREST**

In the case of all conflicts of interest, we use our best judgment to identify and evaluate relevant considerations, and we determine whether to eliminate or mitigate and disclose them in our sole discretion. Below we discuss certain conflicts of interest that could arise in the course of our advisory business.

#### **Principal Transactions and Cross Trades**

NDVR generally does not engage in principal transactions or cross trades (as detailed below). In general, if NDVR or an affiliate of NDVR proposes to purchase a security from, or sell a security to, a Client (in what is commonly referred to as a "principal transaction"), NDVR must make certain disclosures to the Client about the terms of the proposed transaction and obtain the Client's consent to the transaction. NDVR has established policies and procedures to comply with the requirements of the Investment Advisers Act as they relate to principal transactions, which require NDVR's Investment Committee and Chief Compliance Officer to be notified be-

fore effecting any proposed principal transaction.

A cross trade occurs when an investment adviser causes Clients to trade (i.e., purchase and sell) investments with each other. Cross trades can create conflicts of interest including when these transactions are not exposed to the market. Consequently, a Client may not receive the best execution, or the investment adviser might have an incentive to improve the performance of one Client by selling underperforming assets to another Client. NDVR has adopted policies and procedures that require the Investment Committee and Chief Compliance Officer to be notified before placing any proposed cross trade and for appropriate procedures to be adopted in advance of the proposed trade.

#### **Management of Client Accounts**

NDVR manages multiple Client Accounts, including Accounts for Affiliated Persons (see Item 5, these are NDVR employees, stockholders, and members of their households). Conflicts of interest can arise among Client Accounts with similar objectives or similarly situated Clients. For example, one Client Account may buy an Asset while another Client Account sells such Asset, and Client Accounts could hold securities at different levels of an issuer's capital structure. These and other circumstances involving disparate investments by Client Accounts create conflicts of interest and could cause similarly situated Client Accounts to perform differently. In addition, conflicts of interest can arise in allocating time, services or functions of the NDVR Personnel responsible for managing the Client Accounts. We reduce the potential for conflicts that arise among them by tailoring our Services to each Client, as described in *Item 4 – Advisory Business*, and by automating many of our portfolio management and other processes.

NDVR also maintains policies and procedures designed to mitigate potential conflicts associated with trading Assets for multiple Client Accounts, including the Accounts of Affiliated Persons alongside the Accounts of other Clients. (See, for example, the aggregation and allocation discussion in the "Block Trading Policy" section of *Item 12 – Brokerage Practices*.) Conflicts of interest are also mitigated due to the liquidity and depth of the markets in which these Assets generally trade. Clients should be aware that the potential for this conflict of interest exists. For a discussion of certain other conflicts of interest that may arise from time to time, please see *Item 12 – Brokerage Practices* and *Item 14 – Client Referrals and Other Compensation*.

In connection with the evaluation and monitoring of investments, strategies and portfolio management techniques that are or might be recommended for Client Accounts, NDVR engages in test trades for its own account from time to time. NDVR's test trading activity can involve and has involved buying, selling, and holding investments that are the same as or different than those bought, sold, held, or otherwise recommended by NDVR for Client Accounts. This presents a potential conflict of interest between the trading activities of NDVR for its own account and the trading and investment activities conducted by NDVR on behalf of its Clients. For example, NDVR may have a financial incentive to buy or sell securities for Client Accounts that it holds or would like to acquire, although this incentive is limited because NDVR generally recommends investments in highly liquid securities to our Clients and because our trading in these securities individually and in the aggregate for NDVR's account and for Client Accounts is unlikely to materially impact the securities' prices or availability. Further, NDVR's Investment Committee reviews and monitors test trading



and the steps taken to mitigate potential conflicts of interest and adverse effects on Client Accounts. These can include steps such as limiting the securities that may be traded, limiting trade sizes and holding periods, and not trading NDVR's account contemporaneously with Client Accounts.

#### ITEM 12.

## Brokerage Practices

### RECOMMENDATION OF CUSTODIANS AND BROKER-DEALERS

NDVR will be responsible for executing transactions in your Linked Custody Account. We typically require that you establish your Linked Custody Account with Interactive Brokers LLC ("IB") who will then serve as custodian of your NDVR Client Account. However, we reserve the right to recommend other custodians.

Custodians are independent (and unaffiliated) SEC-registered broker-dealers or registered banks that maintain custody of assets and effect trades. We are not affiliated with IB or any other custodian. If you wish to select a different custodian than IB or another custodian we may recommend, please read the discussion of "Directed Brokerage" below and note that your selection must be identified and agreed upon with NDVR in your Client Agreement.

Although quality of execution and price are important factors in evaluating a custodian, best execution does not necessarily mean lowest price and it is not the sole consideration. NDVR considers not only the custodian's commissions, but also other aspects of the services that the custodian can provide, such as speed of execution, clearance and settlement efficiency, financial stability and responsibility, reputation, access to markets, confidentiality, ability to provide transaction analysis, and responsiveness to NDVR. The trading processes of any custodian must be efficient, reliable, and straightforward, and their complementary services must meet our portfolio management and Client service requirements. We consider these aspects of custodial services when evaluating a custodian. NDVR does not consider client referrals in its evaluation of custodians or broker-dealers.

A custodian typically provides us with access to products and services that assist us in managing and administering Client Accounts and are usually unavailable to retail investors. These include but are not necessarily limited to access to a trading desk; access to block trading, which provides the ability to aggregate securities transactions and allocate the appropriate shares to Accounts; and access to an electronic communications network for Client order entry and Account information. Custodians offer us software and other technology that provide access to Account data (such as trade confirmations and account statements); provide pricing information and other market data; facilitate payment of our fees from Accounts; and assist with back-office functions such as record keeping and Client reporting.

Custodians also make available to us and NDVR utilizes other products and services that benefit us but may not benefit Client Accounts directly or at all. For example, custodians offer services intended to help us manage and further develop our business. These services can include consulting, publications and conferences on practice management, information technology, regulatory compliance, and marketing.

These services generally are provided to independent investment advisers at a discount or no charge to them. Custodians, however, are compensated by Clients through the custodial account maintenance fees, fees for other services, commissions or other transaction-related fees, which are expenses to the Client Accounts. The benefits received by NDVR or NDVR Personnel from custodians do not depend on the amount of fees generated by Clients or brokerage transactions directed to a custodian.

### Soft Dollars

NDVR does not pay for services from broker-dealers with so-called "soft dollars." Soft dollar services generally refer to research, research-related or execution services that some discretionary investment advisers pay for and receive from a broker-dealer or third-party provider, in addition to the execution of transactions, in exchange for the brokerage commissions from transactions for client accounts. Use of higher commissions to pay for research and brokerage services present investment advisers with significant conflicts of interest and incentivize investment advisers to disregard their best execution obligations when directing orders to obtain client commission services as well as to trade client securities inappropriately in order to earn credits for client commission services.

### Directed Brokerage

Not all investment advisers recommend or require the use of particular broker-dealers. Some investment advisers permit you to use, and direct the adviser to use, any broker-dealer. NDVR does not encourage such directed brokerage arrangements. In rare cases, we might work with a Client that wants to direct us to use a particular broker-dealer. In such cases, those Clients must understand the limitations of such an arrangement. For example, directed brokerage accounts will not be able to participate in aggregated or block transactions with other Clients. This will preclude directed brokerage accounts from obtaining the volume discounts or more favorable terms that might be available from aggregated transactions. You should consider whether the commission expenses and execution, clearance and settlement capabilities that you will obtain through the selected broker-dealer are adequately favorable in comparison to those that you would otherwise obtain by using a custodian that we designate. Clients with client-directed brokerage arrangements should also understand we will be limited in our trading ability with broker-dealers other than IB, or another custodian we may recommend, and NDVR may be required to execute Client-directed trades after trades are implemented through accounts at the custodian we recommend.

### BLOCK TRADING POLICY

When we implement buys or sells of the same security for numerous accounts contemporaneously, we may elect to purchase or sell such securities as a block trade. This process is also referred to as aggregating orders, block trading or batch trading. We use this trading approach when we believe it will be advantageous for Clients. If we aggregate Client orders, allocating securities among Accounts is done on a fair and equitable basis. The process of aggregating Client orders is done in order to seek better execution across Accounts. We will also do it to seek more favorable commission rates or to allocate orders among Clients on a more equitable basis to avoid differences in prices and transaction fees or other transaction costs that might be paid when orders are placed independently.

We use a written pre-allocation that identifies each participating Account and its expected participation, measured in shares, principal value, as a

percentage of the block, or as a percentage of the Account's value. In determining the written pre-allocation, the various Requirements, Investment Instructions, selected strategies, current compositions, and other relevant characteristics of the participating Accounts are considered. For example, new Client Accounts can and have received a greater than pro rata allocation of aggregated trades as they are not yet fully invested, and preexisting Accounts that have received additional uninvested Client capital can and have also received a greater than pro rata allocation of aggregated trades to deploy that capital.

If and when we determine to aggregate Client orders for the purchase or sale of securities, including securities in which we or our employees may invest, we will do so in accordance with the parameters set forth in applicable SEC guidance. Neither we nor our employees receive any additional compensation as a result of block trades.

#### **ARRANGEMENTS WITH INTERACTIVE BROKERS OR OTHER CUSTODIANS**

As discussed above under "*Recommendation of Custodians and Broker-Dealers*," the recommendation or requirement to use IB, or any other broker-dealer, is based on their willingness and ability to offer competitive commissions and other costs as well as products and services that we or you may require or find valuable such as online access, software that facilitates data exchanges and account management, and the ability to trade certain securities. We typically require Clients to establish a brokerage account with IB, or another custodian we may recommend, because they offer these and other benefits. We do not receive any compensation from such custodian.

We trade exclusively with IB unless other arrangements are made for your Account. This creates a conflict of interest because IB, and any other custodian we may recommend, provide us with operational support and other benefits described above and Clients (not NDVR) bear the fees and commissions charged by the custodian. In recognition of this conflict, we periodically review the custodian's execution quality and compare it to that of other custodians and brokers.

You in certain instances will pay commissions and other costs from a custodian that we recommend that are higher than those that other broker-dealers might charge. We periodically review commissions and other costs of various broker-dealers as part of our process to ensure Clients are receiving best execution. As noted above, although we will consider competitive rates, we will not necessarily select the broker-dealer offering the lowest commissions and other costs if doing so would require us to forego other valuable aspects of another broker-dealer's suite of services. Therefore, costs and services of broker-dealers are evaluated holistically to determine best execution.

#### **ITEM 13.**

## Review of Accounts

We review each Portfolio when it is created and, using our proprietary algorithms, continuously monitor and periodically adjust or rebalance your Portfolio to seek to maintain your targeted asset allocation, in alignment with your Requirements, Investment Instructions and selected strategy. Our algorithms are designed to monitor your Portfolio for allocation drift resulting from factors such as asset price fluctuations, the passage of time, changing market conditions, and unplanned cash flows.

Our Investment Committee, which meets at least quarterly, receives oral reports from the team responsible for the operation of these algorithms the team responsible for the investment decisions, as well as the team responsible for showing Clients performance of Accounts. NDVR Advisors also conduct reviews at least annually and will review material changes to your Requirements, Investment Instructions and selected strategy when you make them.

We may consider tax implications and the volatility associated with the Assets in your Portfolio when deciding when and how to adjust its allocation, however we can make no assurance that you will not incur capital gains, and in certain instances significant capital gains, when we adjust your Portfolio. We assume no responsibility for the tax consequences of any transaction, including any capital gains that may result from the rebalancing of Accounts.

NDVR seeks to effect transactions in Clients' Accounts accurately, on a timely basis, and in Clients' best interests. In the event NDVR makes a trade error with respect to a Client transaction for which NDVR is responsible, NDVR will correct the trade error promptly upon discovery, subject to the Client's Requirements, Investment Instructions, and selected strategy. Compensation or other consideration for trade errors may be paid to Clients through the offer of Fee waivers or Fee credits. We do not consider negative investment performance resulting from the implementation of an investment strategy or a transaction executed at a Client's direction to be a trading or transactional error.

Clients can access their Account information and related documents through the NDVR Portal and by contacting their NDVR Advisor. Your NDVR Advisor may also send you periodic communications describing Portfolio performance, Account information, and product features.

At least annually, we contact you to review your Portfolio's performance and your personal profile information, Requirements, and Investment Instructions. We also request that you notify us of changes to these and your other Account information when they occur.

#### **ITEM 14.**

## Client Referrals and Other Compensation

From time to time, we may offer compensation to Clients, marketers, solicitors, and other strategic partners who recommend us and refer potential clients to us. You will not be charged any fee, nor will you incur any additional costs for being referred to us by a Client, marketer, solicitor, or other strategic partner

We have referral arrangements with third parties that are not Clients of NDVR. These third parties identify and contact potential clients for us (and may do so for other investment advisers). We pay fixed fees and hourly rates in cash to third-party services that contact potential clients for us and schedule appointments with our personnel. We pay a variable fee, in cash, for each referral made by third parties that identify potential clients based on the information the potential clients provide to the third parties and criteria we establish. The fee that we pay depends on the attributes of the potential client and how the referring party connects the potential client with us. The payment of these



referral fees creates a conflict of interest for the referring party because it incentivizes them to make referrals to us (and other investment advisers) that they might not otherwise make to earn referral fees.

We also expect to run promotional campaigns from time to time to attract potential clients to open and fund Accounts. These promotions may include additional account services or products offered on a limited basis to select Clients, or more favorable fee arrangements.

The compensation and promotions may create an incentive for a third party or other existing Client to refer prospective clients to us, even if they would otherwise not make the referral. These arrangements may also create a conflict of interest by incentivizing a Client to maintain a certain level of Assets in their Accounts if doing so would result in eligibility to receive an incentive, bonus or additional compensation.

#### ITEM 15.

## Custody

Your Assets are held by a qualified, third-party custodian. You are provided with written transaction confirmation notices, and a written statement directly from the custodian at least quarterly. You should carefully review those documents. In addition, you are urged to compare reports available and accessed in the NDVR Portal as well as any additional NDVR statement or report with the account statements received from the Account custodian. The custodian does not verify the accuracy of our Fee calculation.

#### ITEM 16.

## Investment Discretion

If you retain NDVR as your investment adviser, you must complete and sign a Client Agreement. Under the terms of our standard Client Agreement, we assume full discretionary authority over your Account. This means that, subject to your Requirements, Investment Instructions and selected strategy, we are given full discretionary authority to select the timing, amount, and identity of Assets to buy and sell for you. Additional information about the Client Agreement and design and implementation of a Client's Portfolio can be found in *Item 4 – Advisory Business* and *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*, above.

If you wish to impose further restrictions on the extent to which NDVR exercises discretion over the investment selection in your Account, those restrictions on NDVR's discretionary authority must be described and agreed upon in your Client Agreement.

Managers of Investment Funds and other separate accounts generally hold discretionary authority over these Investment Funds and separate accounts that cannot be limited in the Client Agreement or through other means.

#### ITEM 17.

## Voting Client Securities

NDVR does not vote Clients' securities on their behalf. It is each Client's

right and responsibility to make all voting decisions for securities held in their Accounts, including whether and how to vote with respect to elections, corporate actions, such as mergers, acquisitions, tender offers, bankruptcy proceedings, and other matters. NDVR does not act on behalf of Clients with respect to class actions or other litigation involving securities held their Accounts.

Clients should receive proxy, corporate action, and litigation notices directly from their custodian, the issuer, the transfer agent, or attorneys involved in the litigation. We will not deliver such documents. Although we do not vote your securities or act on your behalf in these matters, if you have a question about these matters, feel free to contact your NDVR Advisor.

#### ITEM 18.

## Financial Information

NDVR does not require or solicit payment of any fees in advance the Membership Fee as noted in Item 5. NDVR has never been the subject of a bankruptcy petition or proceeding and is not subject to any financial condition that would impair its ability to fulfill its contractual commitments to its clients.



# Part 2B of Form ADV: Supplemental Information

MARCH 27, 2024

UPDATED AUGUST 22, 2024

**NDVR, INC.**

**75 STATE STREET**

SUITE 100

BOSTON, MA 02109

(857) 326-6992

[WWW.NDVR.COM](http://WWW.NDVR.COM)

This brochure supplement provides information about the supervised persons listed below and supplements the NDVR, Inc. ("NDVR"), brochure (found in our Form ADV Part 2A). You should have received a copy of that brochure.

Please contact Amber D. Baker, the General Counsel and Chief Compliance Officer of NDVR, at (857) 326-6992 if you did not receive NDVR's brochure or if you have any questions about the contents of this supplement. Additional information about the individuals listed below is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

# Table of Contents

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Michael K. Simon	03
Braden Osten	04

## CHIEF EXECUTIVE OFFICER & PRESIDENT

(857) 326-6389 | michael.simon@ndvr.com

### YEAR OF BIRTH

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1965

### FORMAL EDUCATION

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B.S., University of Notre Dame  
M.B.A., Washington University in St. Louis

### RECENT EMPLOYMENT HISTORY

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#### Chief Executive Officer | NDVR

January 2019 – Present, and its predecessor research and development company (WarPaint LLC), 2016 – January 2019

#### Director | HubSpot Inc.

June 2011 – January 2021

#### Chief Executive Officer | LogMeIn, Inc.

2003 – 2015

#### Chairman of the Board | LogMeIn, Inc.

2003 – March 2019

#### Director | LogMeIn, Inc.

March 2019 – May 2019

#### Director | SessionM, Inc.

September 2016 – 2019

### BIOGRAPHICAL INFORMATION

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Michael founded NDVR and serves as Chief Executive Officer & President. Previously, Michael co-founded LogMeIn where he served as Chairman and CEO for 13 years and took LogMeIn public in 2009 – the first of two VC-backed IPOs in Massachusetts and one of eight nationally during that year. He grew the company from a single-access product line to a leading provider of essential cloud services used by millions of people across the globe. He currently serves on the Graduate Studies Advisory Council at the University of Notre Dame. Prior to LogMeIn, Michael founded Uproar Inc., a publicly-traded provider of online game shows and interactive games, acquired by Vivendi Universal Games, Inc., in March 2001.

### DISCIPLINARY INFORMATION

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NDVR is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Mr. Simon providing investment advice. There is no disciplinary information to disclose.

Clients and prospective clients can view the CRD records (registration records) for Mr. Simon through the SEC's Investment Adviser Public Disclosure (IAPD) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### OTHER BUSINESS ACTIVITIES

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Mr. Simon is not actively engaged in any other business activities.

### ADDITIONAL COMPENSATION

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Mr. Simon does not receive any economic benefit, except for regular employment compensation, for providing advisory services to NDVR's clients.

### SUPERVISION

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NDVR has created an Investment Committee (the "Committee") to supervise investment advisory activities and assist NDVR in maintaining a strong compliance and risk assessment program. The Committee has overall responsibility for the investment recommendations made to NDVR's clients, investments made in their accounts, and related matters. Mr. Simon is a member of the Committee and NDVR's Chief Executive Officer. He reports to the NDVR Board of Directors and his activities are subject to the oversight of NDVR's Chief Compliance Officer, Amber D. Baker. Ms. Baker may be reached at (857) 326-6992.

**DIRECTOR OF WEALTH MANAGEMENT**  
(857) 326-6943 | braden.osten@ndvr.com

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## YEAR OF BIRTH

1994

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## FORMAL EDUCATION

B.S., University of Maryland

CFA® charterholder, issued August 2021

CFP® certificant, obtained in 2022

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## RECENT EMPLOYMENT HISTORY

### **Director of Wealth Management | NDVR**

January 2024 – Present

### **Financial Advisor | NDVR**

January 2022 – January 2024

### **Client Advisor | Bernstein Private Wealth Management**

January 2021 – December 2021

### **Senior Associate | Bernstein Private Wealth Management**

June 2018 – December 2020

### **Associate | Bernstein Private Wealth Management**

April 2016 – June 2018

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## BIOGRAPHICAL INFORMATION

Braden is a Director of Wealth Management at NDVR. Before joining NDVR, he was a Client Advisor at Bernstein Private Wealth Management, where he advised individuals, families, endowments and foundations on customized financial planning, asset allocation and investment advice. Braden is a CFA® charterholder and a CERTIFIED FINANCIAL PLANNER™ professional.

The CFA designation is globally recognized and attests to a charterholder's success in a rigorous and comprehensive study program in the field of investment management and research analysis. To become a CFA® charterholder, Braden was required to meet the education, examination, experience, and ethical requirements established by the CFA Institute. These requirements include: (i) completing a bachelor's program (or the equivalent) and receiving a degree from a college or university, being within eleven months of completing a bachelor's program when sitting for the level one examination, or having a combination of 4,000 hours of work experience and/or higher education that was acquired over at least three sequential years when enrolling for the level one examination, (ii) passing the three levels of the CFA examination, (iii) acquiring at least four years of professional experience directly involved with the investment decision-making process or producing a work product that informs or adds value to that process, (iv) submitting professional reference letters, (v) completing a professional conduct statement, and (vi) having an international travel passport.

To become a CFP® professional, Braden was required to meet the education, examination, experience and ethical requirements established by the CFP Board. These requirements include: (i) both completing coursework on financial planning through a CFP Board registered program, and holding a bachelor's degree or higher from an accredited college or university, (ii) passing the CFP® examination, (iii) completing either 6,000 hours of professional experience related to the financial planning process, or 4,000 hours of apprenticeship experience that meets additional requirements, and (iv) adhering to the CFP Board's Code of Ethics and Standards of Conduct. As a CFP® professional, Braden is also required to complete at least 30 hours of continuing education every two years.

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## DISCIPLINARY INFORMATION

NDVR is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Mr. Osten providing investment advice. There is no disciplinary information to disclose.

Clients and prospective clients can view the CRD records (registration records) for Mr. Osten through the SEC's Investment Adviser Public Disclosure (IAPD) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## OTHER BUSINESS ACTIVITIES

Mr. Osten is not actively engaged in any other business activities.

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## ADDITIONAL COMPENSATION

Mr. Osten does not receive any economic benefit, except for regular employment compensation, for providing advisory services to NDVR's clients.

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## SUPERVISION

NDVR has created an Investment Committee (the "Committee") to supervise investment advisory activities and assist NDVR in maintaining a strong compliance and risk assessment program. The Committee has overall responsibility for the investment recommendations made to NDVR's clients, investments made in their accounts, and related matters. Mr. Osten is supervised by Michael Simon, NDVR's Chief Executive Officer & President. Mr. Simon may be reached at (857) 326-6389.