



## **(Corporate RIA)**

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# **ADV PART 2A Firm Brochure**

March 11, 2026

## **Item 1: Cover Page**

This brochure provides information about the qualifications and business practices of XY Investment Solutions, LLC, as it relates to its XYPN Sapphire Program. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. XY Investment Solutions, LLC is a registered investment adviser, but registration does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 406-602-2662 or by emailing [support@xypnsapphire.com](mailto:support@xypnsapphire.com).

Additional information about XY Investment Solutions, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) as well as our disclosures page at [xypnsapphire.com/disclosures](http://xypnsapphire.com/disclosures).

## Item 2:

# Material Changes

In this Item, XY Investment Solutions, LLC is required to identify and discuss material changes since filing its last annual amendment. Since 2024, XY Investment Solutions, LLC has maintained two different brochures, both of which address different business lines. This brochure addresses XYPN Sapphire, the corporate RIA model where individual financial advisors (IARs) choose to affiliate with XYPN Sapphire as their RIA while maintaining ownership of their individual branding as a DBA of XY Investment Solutions, LLC.

Throughout: We updated the naming convention of the Firm. XY Investment Solutions, LLC remains the formal business entity name. The primary branding and DBA under which services are offered are XYPN Sapphire for the corporate RIA, and XYPN Sapphire TAMP for our asset management platform. Prior naming conventions of XYPN Invest, XYIS, etc., may still show as occasional references in other locations as branding is updated. The underlying services remain the same.

Item 4: We updated our description of advisory services to address:

- The use of Third-Party Subadvisors or Separate Account Managers for some clients when deemed appropriate.
- Retirement Plan Services offerings adding the option of including 3(21) and 3(38) ERISA fiduciary services.
- For relevantly qualified and experienced IARs, tax preparation and filing services and on occasion tax representation services, are offered as an included component of the Adviser's financial planning services.
- We are piloting a digital asset program for the supervision and management of digital assets utilizing a qualified third-party custodial broker-dealer.

Item 5: We updated the explanation of billing permitted under our platform and the common billing rates. We also emphasized the fees charged by third-parties that are not part of Adviser's billing.

Item 8: We added to items to our Methods of Analysis, Investment Strategies, & Risk of Loss section:

- The additional and particular risks posed by digital assets.
- The limitations we impose on the use of artificial intelligence tools in conjunction with the delivery of advice.

Item 10: We updated our Other Financial Industry Activities & Affiliations in three ways:

- An update to the list of our IARs or associated persons who have other financial industry activities and affiliations.
- An update regarding the model portfolio program offered by Adviser and the incorporation of third-party model accessibility through Orion.
- Additional clarification and disclosure of conflicts regarding Adviser's ownership by XY Planning Network and sponsors, partners, and affiliates of XY Planning Network.

Item 12: We updated our brokerage practices to address the potential, expanded use of Altruist as a custodial broker-dealer and the addition of Prometheus as the custodial broker-dealer of our pilot digital asset program.

Item 15: We updated our Custody information to address the addition of Prometheus as the custodial broker-dealer of our pilot digital asset program.

The current version of XY Investment Solutions, LLC's other, TAMP-focused brochure, can be viewed [here](#).

## Item 3:

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## Item 4:

# Advisory Business

- A. XY Investment Solutions, LLC (the “Adviser,” “Firm,” “we,” “us,” or “our”) is an investment adviser founded in 2016, registered with the U.S. Securities and Exchange Commission (“SEC”) since 2020, and principally owned by XY Planning Network, Inc.
- B. XY Investment Solutions, LLC’s, XYPN Sapphire brand (in contrast to the XYPN Sapphire TAMP brand) operates primarily as a Corporate RIA model where IARs affiliate with our RIA to utilize the firm’s resources and personnel to perform various back office, regulatory, and investment management tasks they would otherwise have to perform themselves if they maintained their own, independent firm.

XY Investment Solutions, LLC allows its IARs to operate under their own distinct brand names and “Doing Business As” (DBA) designations. Regardless of the branding used, all investment advisory services and financial planning services are offered through XY Investment Solutions, LLC, and are subject to the Firm’s supervision. For a complete list of DBA names, refer to ADV Part 1 as available from the IAPD website (<https://adviserinfo.sec.gov/>) under section 1.B “Other Business Names.”

- C. Adviser offers the following types of advisory services:
  - i. Discretionary & Non-Discretionary Investment Management. Adviser provides ongoing discretionary and non-discretionary investment management services to its clients based upon each client’s current financial condition, goals, risk tolerance, income, liquidity requirements, investment time horizon, and other information that is relevant to the management of clients’ account(s). This information will then be used to make investment decisions and recommendations that reflect clients’ individual needs and objectives on an initial and ongoing basis. Adviser’s investment decisions and recommendations will allocate portions of clients’ account(s) to various asset classes classified according to historical and projected risks and rates of return. For accounts in which Adviser has been granted discretionary authority, Adviser will retain the discretion to buy, sell, or otherwise transact in securities and other investments in a client’s accounts without first receiving the client’s specific approval for each transaction. Such discretionary authority is granted by a client in his or her investment management agreement with Adviser. For non-discretionary accounts, Adviser may only buy, sell, or otherwise transact in securities and other investments in a client’s accounts upon receiving the client’s specific approval for each transaction. Clients may impose restrictions on investing in certain securities or types of securities so long as such restrictions may reasonably be implemented by Adviser.

Adviser generally implements its investments strategy by allocating clients’ investable assets across a diversified risk-based portfolio, which may include assets such as no-load mutual funds and/or exchange traded funds (“ETFs”), stocks, bonds, certificates of deposit, municipal securities, U.S. Government securities, money market funds,

and real estate investment trusts (“REITs”). This portfolio is rebalanced periodically to remain in-line with the client’s agreed-upon asset allocation, though the asset allocation may be changed from time to time based on changes to a client’s specific situation.

- ii. Third-Party Subadvisor/SAM Strategies. If appropriate for a client, Adviser may allocate a portion of a portfolio to an independent third-party adviser for separate account management. These strategies are managed independently of Adviser but can be used in situations where additional diversification, specialization, expertise, or unique assets are deemed appropriate for the client.
- iii. Financial Planning. When rendering financial planning services (which may be provided either in connection with investment management services or as a standalone service), Adviser will evaluate and make recommendations with respect to various financial planning topics that are relevant to a particular client. Such topics can include, for example, retirement planning, education savings, cash flow management, debt reduction, estate planning, insurance needs, risk mitigation, tax planning, charitable giving strategies, and/or financial goal tracking. Implementation of Adviser’s recommendations will be at the discretion of the client. Adviser may also facilitate tax preparation services for clients by a third-party, the cost of which will either be borne by the client or Adviser, as provided in the client’s investment advisory agreement.

When rendering financial planning services, a conflict exists between Adviser’s interests and the interests of its clients; clients are under no obligation to act upon Adviser’s financial planning recommendations. If a client elects to act on any of the recommendations made by Adviser, the client is under no obligation to effect the transaction through Adviser or any of its personnel.

As part of planning services, Adviser may provide investment advice on client’s accounts and assets not held with Adviser (held away accounts/assets). Monitoring of such accounts is dependent upon various technology and data feeds and may require manual procurement of current and up to date statements and holdings from client in order to properly provide advice.

- iv. Retirement Plan Services. The Firm provides both fiduciary and non-fiduciary services to employee benefit plans and their sponsors. When Adviser serves as a 3(21) Investment Manager, the Firm acts as a fiduciary and provides investment advice to the plan sponsor regarding the selection, monitoring, and replacement of the plan’s investment options. In the future, the Firm may also act as a 3(38) Investment Manager, exercising full discretionary authority to manage the plan’s investment menu.

These services are provided at the plan level; while IARs may provide general investment education to plan participants, they do not provide individualized investment advice or financial planning to participants under the ERISA Service Agreement. Participants seeking individualized advice must engage the Firm under a separate investment advisory or financial planning agreement.

When Adviser provides investment advice regarding retirement plan accounts, Adviser is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code (the "Code"), as applicable, which are laws governing retirement accounts. How Adviser makes money creates some conflicts with clients' interests. Adviser operates under a special rule that requires acting in the client's best interest and not putting Adviser interests ahead of client's. Under this special rule's provisions, Adviser must:

- i. Meet a professional standard of care when making investment recommendations (give prudent advice);
  - ii. Never put our financial interests ahead of yours when making recommendations (give loyal advice);
  - iii. Avoid misleading statements about conflicts of interest, fees, and investments;
  - iv. Follow policies and procedures designed to ensure that we give advice that is in your best interest;
  - v. Charge no more than is reasonable for our services; and
  - vi. Give you basic information about conflicts of interest.
- v. Tax Preparation Services. The Firm provides both fiduciary and non-fiduciary services to employee benefit plans and their sponsors. As a 3(21) Investment Manager, the Firm acts as a fiduciary and provides investment advice to the plan sponsor regarding the selection, monitoring, and replacement of the plan's investment options. In the future, the Firm may also act as a 3(38) Investment Manager, exercising full discretionary authority to manage the plan's investment menu.
- vi. Digital Asset Management Services (Pilot Program). The Firm is currently conducting a pilot program to evaluate the management of digital asset securities (e.g., tokenized equities or "investment contract digital asset securities"). During this phase, services are limited to internal personnel to refine processes using Prometheum Capital LLC, an SEC-registered Special Purpose Broker-Dealer and Qualified Custodian. If broader offering is implemented, upon full rollout, Clients will be required to establish a custodial relationship directly with Prometheum Capital LLC in order to utilize such services.
- D. Adviser tailors its advisory services to the individual needs of its clients by taking the time to understand clients' current financial condition, goals, risk tolerance, income, liquidity requirements, investment time horizon, and other information that is relevant to the

management of clients' account(s). This information will then be used to make investment decisions or recommendations that reflect clients' individual needs and objectives on an initial and ongoing basis. Adviser's recommendations will allocate portions of clients' account(s) to various asset classes classified according to historical and projected risks and rates of return. Clients may impose restrictions on investing in certain securities or types of securities so long as such restrictions may reasonably be implemented by Adviser.

- E. Adviser does not participate in any wrap fee programs.
  
- F. Adviser manages the following amount of discretionary and non-discretionary client assets calculated as of 12/31/2026.

Corporate RIA Assets:

|      |                    |                |
|------|--------------------|----------------|
| i.   | Discretionary:     | \$ 686,791,888 |
| ii.  | Non-Discretionary: | \$ 666,464     |
| iii. | Total:             | \$ 687,458,352 |

TAMP Assets:

|      |                    |                |
|------|--------------------|----------------|
| i.   | Discretionary:     | \$ 194,045,429 |
| ii.  | Non-Discretionary: | \$ 0           |
| iii. | Total:             | \$ 194,045,429 |

## Item 5:

# Fees and Compensation

- A. Adviser is compensated for its advisory services by fees charged on a percentage of client's assets under management with Adviser, flat fees, **hourly fees**, or a **combination** thereof. Asset-based fees generally range up to 1.5% per annum, flat fees vary depending upon the expertise of the practitioner, the complexity of the work, and the scope of the engagement, but generally range up to \$75,000 per annum, and hourly fees are similarly varied, but generally range up to \$750 per hour.
- B. Fees are negotiable, and each client's specific fee schedule is included as part of the investment advisory agreement signed by Adviser and the client. The investment advisory agreement will also include details specific to each client, including
- whether fees are calculated and owed in advance or in arrears,
  - the frequency of such fees (i.e., monthly or quarterly),
  - whether fees are deducted automatically from the client's account or whether the client may elect to be billed separately,
  - the fee calculation methodology (i.e., the last day of a specified period or the average daily balance during a specified period), and
  - whether Adviser will bear the costs of certain services performed by third parties and facilitated by Adviser, such as tax preparation.
- C. In addition to the fees charged by Adviser, clients will incur brokerage and other transaction costs. Please refer to Item 12: Brokerage Practices, for further information on such brokerage and other transaction-related practices. Clients will also typically incur additional fees and expenses imposed by independent and unaffiliated third-parties, which can include qualified custodian fees, mutual fund or exchange traded fund fees and expenses, mark-ups and mark-downs, spreads paid to market makers, wire transfer fees, check-writing fees, early-redemption charges, certain deferred sales charges on previously-purchased mutual funds, margin fees, charges or interest, IRA and qualified retirement plan fees, and other fees and taxes on brokerage accounts and securities transactions. The additional charges referenced are separate and apart from the fees charged by Adviser. Clients may also incur fees for services performed by third parties and facilitated by Adviser, such as tax preparation.
- D. The additional charges referenced above likewise apply to Client's digital assets held at Prometheus Capital if Client maintains assets under management with Adviser Adviser's program with Prometheus.
- E. If Adviser or client terminates the advisory agreement before the end of a billing period, Adviser's fees will be prorated through the effective date of the termination. The pro rata fees for the remainder of the billing period after the termination will be refunded to the

client if fees are paid in advance. For clients that are billed in arrears, the pro rata fees earned through the effective date of the termination will be billed to the client.

- F. Neither Adviser nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

**Item 6:**

**Performance-Based Fees &  
Side-By-Side Management**

Neither Adviser nor any of its supervised persons accepts performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client). Neither Adviser nor any of its supervised persons engage in side-by-side management.

**Item 7:**

## **Types of Clients**

Adviser generally provides its services to individuals, high-net-worth individuals, trusts, estates, business entities, and charitable organizations, and pension and profit sharing plans. Adviser does not require a minimum account value to open or maintain an account.

## Item 8:

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

- A. The investment strategies used by Adviser when formulating investment advice or managing assets include long-term investment strategies incorporating the principles of Modern Portfolio Theory, and the investment philosophy is designed for investors who desire a “buy and hold” strategy. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance does not guarantee future returns.
- B. Like any investment strategy, Modern Portfolio Theory involves material risks. Such material risks are described in further detail below:
- i. Investing for the long term means that a client’s account will be exposed to short-term fluctuations in the market and the behavioral impulse to make trading decisions based on such short-term market fluctuations. Adviser does not condone short-term trading in an attempt to “time” the market, and instead coaches clients to remain committed to their financial goals. However, investing for the long term can expose clients to risks borne out of changes to interest rates, inflation, general economic conditions, market cycles, geopolitical shifts, and regulatory changes.
  - ii. Inflation risk is the risk that the value of a client’s portfolio will not appreciate at least in an amount equal to inflation over time. General micro- and macro-economic conditions may also affect the value of the securities held in a client’s portfolio, and general economic downturns can trigger corresponding losses across various asset classes and security types. Market cycles may cause overall volatility and fluctuations in a portfolio’s value, and may increase the likelihood that securities are purchased when values are comparatively high and/or that securities are sold when values are comparatively low. Geopolitical shifts may result in market uncertainty, lowered expected returns, and general volatility in both domestic and international securities. Regulatory changes may have a negative impact on capital formation and increase the costs of doing business, and therefore result in decreased corporate profits and corresponding market values of securities.
  - iii. Investing in mutual funds does not guarantee a return on investment, and shareholders of a mutual fund may lose the principal that they’ve invested into a particular mutual fund. Mutual funds invest into underlying securities that comprise the mutual fund, and as such clients are exposed to the risks arising from such underlying securities. Mutual funds charge internal expenses to their shareholders (which can include management fees, administration fees, shareholder servicing fees, sales loads, redemption fees, and other fund fees and expenses, e.g.), and such internal expenses subtract from its potential for market appreciation. Shares of mutual funds may only be traded at their stated net asset value (“NAV”), calculated at the end of each day upon the market’s close.

Investing in exchange traded funds (“ETFs”) bears similar risks and incurs similar costs to investing in mutual funds as described above. However, shares of an ETF may be traded like stocks on the open market and are not redeemable at an NAV. As such, the value of an ETF may fluctuate throughout the day and investors will be subject to the cost associated with the bid-ask spread (the difference between the price a buyer is willing to pay (bid) for an ETF and the seller's offering (asking) price).

Clients are encouraged to carefully read the prospectus of any mutual fund or ETF to be purchased for investment to obtain a full understanding of its respective risks and costs.

- iv. Investing in common stocks means that a client will be subject to the risks of the overall market as well as risks associated with the particular company or companies whose stock is owned. These risks can include, for example, changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. Common stocks tend to be more volatile and more risky than certain other forms of investments, especially as compared to fixed income products like bonds.
  - v. Investing in bonds means that a client will be subject to the market prices of such debt securities, which typically fluctuate depending on interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and rise when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk. Bonds are also subject to inflation risk, reinvestment risk, redemption risk, and valuation risk.
  - vi. Investing in REITs means that clients will be subject to the risks associated with investments in mortgages and their related activities in addition to the general risk of equity and financial markets. Among the factors that the REIT industry is vulnerable to are: (1) change in government regulation, primarily the pass-through tax treatment of REIT income, (2) the market for residential mortgage assets, (3) the general level and term structure for interest rates. The common equity prices of REITs have historically been more closely correlated with changes in interest rates than other non-REIT equity securities. Additionally, REITs tend to be more illiquid in nature, may contain additional fees, and may experience disruptions in distributions in comparison to other types of securities.
- C. Investing in digital asset securities carries unique risks. Unlike traditional securities with T+1 or T+2 settlement, trading in digital assets through Prometheus utilizes blockchain technology for near-instantaneous (T+0) settlement, which may limit a client's ability to cancel an executed trade. Additional risks include:
- i. Valuation Challenges: There is currently no proven valuation methodology for reliably analyzing digital asset securities, leading to extreme price volatility.

- ii. Liquidity Risk: Markets for these assets can be thinly traded or "illiquid," meaning it may be impossible to liquidate a position except at highly unfavorable prices.
- iii. Technology Risk: Risks include the potential for "black box" algorithmic errors, cybersecurity threats to private keys, and the immutability of blockchain transactions.

D. Although AI tools may be utilized to identify potential risks, opportunities, or strategies for a client, at no point does Adviser rely on such a tool for determining advice. Any AI, LLM, or similar tool utilized by means of a preapproved technology tool will only be used in conjunction and coordination with appropriate expertise, diligence, and prudent application.

AI tools do not take the place of an experienced and knowledgeable professional but can be used in aid of a professional in determining a prudent course of action. If any tool is used in a significant or substantial way—other than incidentally—such output will be appropriately and adequately documented by Adviser's representative.

**Item 9:**  
**Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Adviser's advisory business or the integrity of Adviser's management.

## Item 10:

# Other Financial Industry Activities & Affiliations

- A. Neither Adviser nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Neither Adviser nor any of its management persons have any relationship or arrangement with any related person below:
  - i. broker-dealer, municipal securities dealer, or government securities dealer or broker
  - ii. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
  - iii. futures commission merchant, commodity pool operator, or commodity trading advisor
  - iv. banking or thrift institution
  - v. accountant or accounting firm
  - vi. lawyer or law firm
  - vii. pension consultant
  - viii. real estate broker or dealer
  - ix. sponsor or syndicator of limited partnerships
- D. Though certain Investment Adviser Representatives of Adviser are licensed insurance agents, they do not offer insurance products and do not receive insurance product commissions in connection with their association with Adviser. Representatives are prohibited from selling insurance products or receiving insurance commissions or referral incentives.
- E. Affiliation with other investment advisers:
  - i. Michael E. Kitces, indirect owner of Adviser, has relationships with another investment adviser. He is Head of Planning Strategy and an Investment Adviser Representative of Focus Partners Wealth, LLC.
  - ii. IARs Associated with other Firms on a Temporary Basis
    - i. Anton Madsen is associated with Stone Steps Financial, LLC., an SEC registered investment adviser. Mr. Madsen is transitioning his existing clients from XYPN Sapphire to his new firm affiliation at Stone Steps Financial, but the process is

still ongoing. Once transitioned, Mr. Madsen's affiliation with XYPN Sapphire will be terminated.

- ii. Mario Pizzamiglio is associated with Ardent Guardian Wealth Advisory, LLC. This is the RIA that he has established and will be transitioning his existing clients from XYPN Sapphire to his new firm affiliation pending final administrative and regulatory filings. Once transitioned, Mr. Pizzamiglio's affiliation with XYPN Sapphire will be terminated.

iii. IARs Associated with other Firms on an Ongoing Basis

- i. Derek Merkle is also affiliated with Nectarine Financial, Inc. as a investment adviser representative. Nectarine is not affiliated with XYPN Sapphire. Please refer to Item 14 for more information about the referral arrangement received by Nectarine in connection with their platform referring clients to Derek Merkle.
- ii. Other Investment Adviser Representatives have the opportunity to utilize Nectarine for referral purposes, but currently no others participate in such an arrangement.

A conflict of interest exists to the extent that Adviser or its Supervised Persons recommends these other investment advisers to clients or where those other investment advisers recommend their clients use Adviser's services. In order to mitigate these conflicts, Adviser does not allow such cross referrals.

F. Adviser's Model Portfolio Program:

- i. As disclosed in Item 2, Adviser maintains a separate brochure that covers its Model Portfolio Program, in which Adviser constructs and manages investment models ("Model Portfolios") through a technology solution. The Model Portfolios can be used by independent registered investment advisers ("RIAs") that are not affiliated with Adviser. Prior to Adviser rendering investment advisory services, RIAs are required to enter into a written agreement with Adviser setting forth the relevant terms and conditions of the advisory relationship (the "Advisory Agreement"). The investing clients of RIAs are required to sign a new account opening form and/or limited power of attorney that authorizes Adviser to manage the Model Portfolios into which they are invested. RIAs are responsible for assigning Model Portfolios to their own clients.
- ii. Adviser manages its Model Portfolios on a discretionary basis primarily by allocating assets among various mutual funds, ETFs, and available third-party asset managers (through SMAs or their model portfolio allocations). While Adviser will select mutual funds and ETFs for the Model Portfolios, provide guidance and information about the Model Portfolios to RIAs, RIAs are responsible for choosing the specific model and allocation for each of their own clients.
- iii. Adviser may work with an RIA to create a custom model portfolio to fit a client's unique needs, however, the model will be monitored and managed by the RIA.

G. XY Planning Network, Inc. ("XYPN"):

- i. Adviser is a wholly-owned subsidiary of XYPN. XYPN is a community-driven advisor support network of more than two thousand financial advisors that provides tools, resources, and services, to enable financial advisors to start, run, and grow their own fee-only financial planning practices serving Gen X and Gen Y clients for a monthly subscription fee. XYPN connects consumers with a diverse community of fee-only Certified Financial Planners dedicated to bringing real financial planning to the next generation without regard to investment account minimums.
- ii. To the extent a member of XYPN purchases a subscription to the Orion Advisor Technology (an RIA-centric software service provided by Orion Advisor Solutions, Inc. ("Orion")) directly through Orion instead of through Adviser, Orion may share a portion of the revenue it receives from such subscription with Adviser. This creates a financial incentive to recommend Orion to clients in its Model Portfolio Program, which presents a conflict of interest. Adviser addresses this conflict of interest by disclosing it in this brochure, by advising clients in its Model Portfolio Program that they are under no obligation to subscribe to Orion, whether through Adviser or directly with Orion, and by only continuing to utilize Orion if believed to be in the best interests of clients.
- iii. XY Planning Network seeks out partnerships, discounts, trials, and similar functions from various providers for its members. XYPN Sapphire IARs are also all members of XY Planning Network. Such partnerships could influence members, including IARs of the Firm, to use or prefer particular vendors. XYPN Sapphire actively avoids and does not participate in any revenue sharing, sponsorships, or related activities with the greater XY Planning Network. On occasion, XY Planning Network requests review or due diligence recommendations from XYPN Sapphire—as does XYPN Sapphire of XYPN—in order to better inform the independent decisions of each firm. Due diligence and decision-making about partnerships and agreements is still independently evaluated based on the best interest of Adviser in the service of its clients.

## Item 11:

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

- A. Adviser has adopted a code of ethics that will be provided to any client or prospective client upon request. Adviser's code of ethics describes the standards of business conduct that Adviser requires of its supervised persons, which is reflective of Adviser's fiduciary obligations to act in the best interests of its clients. The code of ethics also includes sections related to compliance with securities laws, reporting of personal securities transactions and holdings, reporting of violations of the code of ethics to Adviser's Chief Compliance Officer, pre-approval of certain investments by access persons, and the distribution of the code of ethics and any amendments to all supervised persons followed by a written acknowledgement of their receipt.
- B. Neither Adviser nor any of its related persons recommends to clients, or buys or sells for client accounts, securities in which Adviser or any of its related persons has a material financial interest.
- C. From time to time, Adviser or its related persons will invest in the same securities (or related securities such as warrants, options or futures) that Adviser or a related person recommends to clients. This has the potential to create a conflict of interest because it affords Adviser or its related persons the opportunity to profit from the investment recommendations made to clients. Adviser's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Adviser or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances Adviser will act in the best interests of its clients.
- D. From time to time, Adviser or its related persons will buy or sell securities for client accounts at or about the same time that Adviser or a related person buys or sells the same securities for its own (or the related person's own) account. This has the potential to create a conflict of interest because it affords Adviser or its related persons the opportunity to trade either before or after the trade is made in client accounts, and profit as a result. Adviser's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Adviser or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances, Adviser will act in the best interests of its clients.

## Item 12:

# Brokerage Practices

- A. Adviser considers several factors when recommending a custodial broker-dealer for client transactions and determining the reasonableness of such custodial broker-dealer's compensation. Such factors include the custodial broker-dealer's industry reputation and financial stability, service quality and responsiveness, execution price, speed and accuracy, reporting abilities, and general expertise. Assessing these factors as a whole allows Adviser to fulfill its duty to seek best execution for its clients' securities transactions. However, Adviser does not guarantee that the custodial broker-dealer recommended for client transactions will necessarily provide the best possible price, as price is not the sole factor considered when seeking best execution. After considering the factors above, Adviser primarily recommends Charles Schwab & Company, Inc. ("Schwab") as the custodial broker-dealer for client accounts.
- i. Adviser does not receive research and other soft dollar benefits in connection with client securities transactions, which are known as "soft dollar benefits". However, the custodial broker-dealer(s) recommended by Adviser do provide certain products and services that are intended to directly benefit Adviser, clients, or both. Such products and services include (a) an online platform through which Adviser can monitor and review client accounts, (b) access to proprietary technology that allows for order entry, (c) duplicate statements for client accounts and confirmations for client transactions, (d) invitations to the custodial broker-dealer(s)' educational conferences, (e) practice management consulting, (f) discounts on compliance, marketing, research, technology, and practice management products or services provided to Adviser by third party vendors, and (g) occasional business meals and entertainment.
  - ii. Schwab has historically sponsored the national conference hosted by XYPN, and has directly paid third-party technology, research, marketing, compliance, and consulting-related expenses that would otherwise be borne directly by XYPN. Schwab retains the authority to continue such conference sponsorship and third-party vendor expense reimbursement, and XYPN may therefore continue to receive such benefits from Schwab in the future.
  - iii. Schwab also provides access to its investment adviser platform to XYPN member advisers regardless of the assets managed or placed on Adviser's platform. There is no direct link between Adviser's participation in Schwab's institutional customer program and the investment advice it gives to its clients, although Adviser receives economic benefits through its participation in the program that are typically not available to Schwab retail investors.
- B. The receipt of these products and services creates a conflict of interest to the extent it causes Adviser to recommend Schwab as opposed to a comparable custodial broker-dealer. Adviser addresses this conflict of interest by fully disclosing it in this brochure, evaluating

Schwab based on the value and quality of its services as realized by clients, and by periodically evaluating alternative broker-dealers to recommend.

- C. Adviser does not consider, in selecting or recommending custodial broker-dealers, whether Adviser or a related person receives client referrals from a custodial broker-dealer or third-party.
- D. Adviser does not routinely recommend, request, or require that a client direct Adviser to execute transactions through a specified custodial broker-dealer other than Schwab.
- E. Adviser retains the ability to aggregate the purchase and sale of securities for clients' accounts with the goal of seeking more efficient execution and more consistent results across accounts. Aggregated trading instructions will not be placed if it would result in increased administrative and other costs, custodial burdens, or other disadvantages. If client trades are aggregated by Adviser, such aggregation will be done so as not to disadvantage any client and to treat all clients as fairly and equally as possible.
- F. In addition to Schwab, Adviser also utilizes Altruist Financial LLC as a custodial broker-dealer for client accounts. Currently, this represents a very small percentage of Firm's assets but is likely to increase over the course of the year.
- G. For the pilot Digital Asset program, Adviser recommends Prometheum Capital LLC. Prometheum was selected because of its unique position in the market as an SEC-registered and FINRA-member Special Purpose Broker-Dealer that adheres to SEA Rule 15c3-3 (the Customer Protection Rule). This framework requires the strict segregation of client assets and robust internal controls specifically designed for the digital asset environment.

## Item 13:

# Review of Accounts

- A. The designated Investment Adviser Representative (“IAR”) of a client’s account is responsible for monitoring the client’s account(s) on an ongoing basis, and typically reviews client accounts on at least an annual basis. Such reviews are designed to ensure that the client is still on track to achieve his or her financial goals, and that the investments remain appropriate given the client’s risk tolerance, investment objectives, major life events, and other factors. Clients are encouraged to proactively reach out to their IAR to discuss any changes to their personal or financial situation.
  
- B. Other factors that may trigger a review include, but are not limited to, material developments in market conditions, material geopolitical events, and changes to a client’s personal or financial situation (the birth of a child, preparing for a home purchase, plans to attend higher education, a job transition, impending retirement, death or disability among family members, etc.).
  
- C. The custodial broker-dealer will send account statements and reports directly to clients no less frequently than quarterly. Such statements and reports will be mailed to clients at their address of record or delivered electronically, depending on the client’s election. If agreed to by Adviser and client, Adviser or a third-party report provider will also send clients reports to assist them in understanding their account positions and performance, as well as the progress toward achieving financial goals.

## Item 14:

# Client Referrals and Other Compensation

- A. No one other than clients provide an economic benefit to Adviser for providing investment advice or other advisory services to clients. However, as described above in Item 12, the custodial broker-dealer(s) recommended for client accounts provides certain products and services that are intended to directly benefit Adviser, clients, or both. Orion also provides certain compensation and other benefits to Adviser as described above in Item 10.
  
- B. The Adviser may directly or indirectly compensate a person who is not Adviser's supervised person for client referrals as a result of a referral arrangement that enables one or more of our supervised persons to participate in the referral arrangement described here: Adviser has entered into a contractual relationship with Nectarine Financial, Inc. ("Nectarine"), an independent and unaffiliated investment adviser registered with the U.S. Securities and Exchange Commission that operates an interactive website platform (the "Platform"), to receive prospective client referrals through the Platform. If a prospective client referred to Adviser engages one of our supervised persons to provide financial planning or other investment advisory services through the Platform, such client will pay Adviser's fee to Nectarine through the Platform. Nectarine will remit a portion of this fee to Adviser and retain the balance of this fee in consideration of Nectarine's referral services. Adviser's fee is not increased as a result of Nectarine's referral services. Prospective clients referred to Adviser through the Platform will receive a separate written disclosure that details the fee payment arrangement between Nectarine and Adviser. Nectarine does not otherwise provide any investment advisory or financial planning services to prospective clients, as such services are directly provided by Adviser through its relationship with Nectarine and the Platform.
  
- C. Dimensional Fund Advisors, LP ("DFA") has historically sponsored the national conference hosted by XYPN, and DFA retains the authority to continue such conference sponsorship in the future. Certain client investment portfolios include mutual funds and ETFs sponsored and managed by DFA. This creates a conflict of interest to the extent DFA's sponsorship of XYPN's national conference causes Adviser to include DFA mutual funds and ETFs in its investment portfolios, or to otherwise recommend DFA mutual funds or ETFs to its clients. Adviser addresses this conflict of interest by fully disclosing it in this brochure, and by only making investment portfolio allocation decisions and recommendations without regard for any benefits conferred by DFA.

## Item 15: Custody

For clients that do not have their fees deducted directly from their account(s) and have not provided Adviser with any standing letters of authorization to distribute funds from their account(s), Adviser will not have any custody of client funds or securities.

For clients that have their fees deducted directly from their account(s) or that have provided Adviser with discretion as to amount and timing of disbursements pursuant to a standing letter of authorization to disburse funds from their account(s), Adviser will typically be deemed to have limited custody over such clients' funds or securities pursuant to the SEC's custody rule and subsequent guidance thereto. At no time will Adviser accept full custody of client funds or securities in the capacity of a custodial broker-dealer, and at all times client accounts will be held by a third-party qualified custodian as described in Item 12, above.

With respect to custody that is triggered by third party SLOAs, Adviser endeavors to comply with the following seven conditions as listed in the 2017 SEC No Action Letter to the Investment Adviser Association:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
4. The client has the ability to terminate or change the instruction to the client's qualified custodian.
5. The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
6. The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

All client digital assets are held by Prometheum Capital LLC, which serves as a "Qualified Custodian" under Rule 206(4)-2 of the Investment Advisers Act. The Firm does not maintain physical possession of digital assets or private keys. Clients will receive account statements directly from Prometheum Capital LLC at least quarterly and are urged to compare them with any supplemental reports provided by the Firm.

When a client receives account statements any custodial broker-dealer, client should compare such statement with statement from Adviser or a third-party report provider. Client is urged to notify Adviser of any discrepancies between the reports.

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

Adviser accepts discretionary authority to manage securities accounts on behalf of clients only pursuant to the mutual written agreement of Adviser and the client through a power-of-attorney, which is typically contained in the advisory agreement signed by Adviser and the client. This includes the authority to buy, sell, and otherwise transact in securities and other investment products in client's account(s) without necessarily consulting with clients in advance. Clients may place reasonable limitations on this discretionary authority so long as it is contained in a written agreement and/or power-of-attorney.

**Item 17:**

**Voting Client Securities**

- A. At present Adviser does not have and will not accept authority to vote client securities.
  
- B. Clients will receive their proxies or other solicitations directly from their custodial broker-dealer or a transfer agent, as applicable, and should direct any inquiries regarding such proxies or other solicitations directly to the sender.

**Item 18:**

**Financial Information**

- A. Adviser does not require or solicit prepayment of fees six months or more in advance.
- B. Adviser has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.
- C. Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.