

# Motiv8 Investments LLC

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**03/29/2024**

## Form ADV Part 2A Brochure

Motiv8 Investments LLC is an SEC registered investment adviser. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Motiv8 Investments LLC. If you have any questions about the contents of this brochure, please contact us at (772) 247-4488. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Motiv8 Investments LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Material Changes - Item 2

The following reflects material changes in this brochure from the last annual updating amendment on 02/21/2023 of Motiv8 Investments LLC. Material changes relate to Motiv8 Investments LLC's policies, practices or conflicts of interests.

- Added language regarding custody of client assets through third-party standing letters of authorization (SLOAs) in Item 15.
- Added language regarding our use of a Third Party Platform for Held Away Assets in Items 4 and Item 5.

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#### Advisory Business - Item 4

Motiv8 Investments LLC (hereinafter “Motiv8”) is a registered investment advisor based in Port St. Lucie, Florida. We are a limited liability company under the laws of the State of Florida. We have been providing investment advisory services since 2016. Michael G. Terrio is the principal owner of Motiv8.

You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of our firm. Where required, such persons are properly registered as investment adviser representatives.

Currently, we offer the following investment advisory services, personalized to each individual client:

**Portfolio Management Services**  
**Financial Planning Services**  
**Selection of Third Party Investment Advisers**

#### ***Portfolio Management Services***

Our firm offers discretionary and non-discretionary portfolio management services to our Clients. Discretionary portfolio management means we will make investment decisions and place buy or sell orders in your account without contacting you. These decisions would be made based upon your stated investment objectives. Non-discretionary portfolio management service means that we must obtain your approval prior to making any transactions in your account. Clients may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for their account. Simply provide us with your restrictions or guidelines in writing.

Our investment advice is tailored to meet our clients’ needs and investment objectives. If you decide to hire our firm to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice.

Motiv8 mainly uses but does not limit its advice to equity securities, exchange traded funds, mutual funds, U.S. government securities, corporate debt securities, certificates of deposit, commercial paper and municipal securities in its portfolio management programs. In limited cases, we may also recommend investments in limited partnerships investing in real estate, oil and gas.

However we construct your investment portfolio, we will monitor your portfolio’s performance on a continuous basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions, your financial circumstances, or both.

We recommend that you review the statement(s) you receive from the qualified custodian. Please call our office number, located on the cover page of this brochure, if you have any questions about your statement.

Client accounts held at a custodian that is not directly accessible by Motiv8, such as 401(k) accounts, may be managed using the Pontera Order Management System (“Pontera”). The platform allows Motiv8 to avoid being considered to have custody of client funds since Motiv8 does not have direct access to client log-in credentials to effect trades. Motiv8 is not affiliated with the platform in any way and receives no compensation from them for using their platform. A link will be provided to the client allowing them to connect an account(s) to the platform. Once client account(s) is connected to the platform, Motiv8 will review the current account allocations. When deemed necessary, Motiv8 will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends.

#### ***Financial Planning Services***

We offer broad based financial planning which includes a variety of services, mainly advisory in nature, regarding management of financial resources. Such management is based upon an analysis of the client’s individual needs and begins with an initial complimentary consultation. Once we collect and analyze all documentation, we provide

a written financial plan designed to achieve the client's financial goals and objectives. In this way, Motiv8 assists the client in developing a strategy for the successful management of income, assets, and liabilities. In general, financial planning services may include any one or all of the following:

**Cash Flow Analysis** – Assessment of a client's present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, employee benefit statements etc. The Firm advises on ways to reduce risk, coordinate and organize records, and estate information.

**Retirement Analysis** – Identification of a client's long-term financial and personal goals and objectives includes advice for accumulating wealth for retirement income or appropriate distribution of assets following retirement. Tax consequences and implications are identified and evaluated.

**Insurance Analysis** – Includes risk management associated with advisory recommendations based on a combination of insurance types to meet a client's needs, e.g., life, health, disability, and long-term care insurance. This will necessitate an analysis of cash needs of family at death, income needs of surviving dependents, and disability income analysis.

**Portfolio Analysis/Investment Planning** – We provide investment alternatives, including asset allocation, and effect on a client's portfolio. We evaluate economic and tax characteristics of existing investments as well as their suitability for a client's objectives. We identify and evaluate tax consequences and their implications.

**Education Savings Analysis** – Alternatives and strategies with respect to the complete or partial funding of college or other post-secondary education.

**Estate Analysis** – We provide advice with respect to property ownership, distribution strategies, estate tax reduction, and tax payment techniques.

Clients can also request financial planning services that cover a specific area, such as retirement or estate planning, asset allocation analysis, manager due diligence and 401(k) platform due diligence. We offer consultative services where we set an appointment to meet with you for financial planning advice for an hourly fee.

Financial plans are based on information provided by clients regarding their financial situation, goals, objectives and needs. We urge clients to notify us promptly in case any of this information changes.

You may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so either through our investment advisory services or by using the advisory/brokerage firm of your choice. Financial plans or Financial Planning advice may be delivered in verbal form or a written plan.

#### ***Selection of Third Party Investment Advisers***

Motiv8 has entered into agreements with various third party investment advisers for the provision of certain investment advisory services. Factors considered in the selection of a third party advisor include but may not be limited to: i) Motiv8's preference for a particular third party advisor; ii) the client's risk tolerance, goals and objectives, as well as investment experience; and, iii) the amount of client assets available for investment. In order to assist clients in the selection of a third party advisor, an Associated Person of Motiv8 will typically gather information from the client about the client's financial situation, investment objectives, and reasonable restrictions the client wants imposed on the management of the account.

The third party advisor may customize the client's portfolio by blending traditional investment strategies with an allocation to asset classes. The investment strategy adopted by the third party advisor may embrace value, growth or contrarian investing styles. Generally, securities transactions will be decided upon and executed by the third-party advisor on a discretionary basis. This means that the manager selected will have the ability to buy and sell securities in your account without obtaining your approval. Motiv8 and its Associated Persons will not manage, or obtain discretionary authority over the assets in accounts participating in these programs; however, clients may grant Motiv8 the discretionary authority to hire and fire such third party managers. Generally, clients may not impose restrictions on investing in certain securities or types of securities in accounts managed by a third party advisor.

Associated Persons of Motiv8 will periodically review reports provided to the client. An Associated Person of Motiv8 will contact the client at least annually, or more often as agreed upon with each client, to review the client's financial situation and objectives, communicate information to the third party advisor managing the account as necessary, and to assist the client in understanding and evaluating the services provided by the third party advisor. Clients will be expected to notify Motiv8 of any changes in their financial situation, investment objectives, or account restrictions.

The third party advisor may offer wrapped or non-wrapped pricing options. Wrap pricing structures allow the client to pay an all-inclusive fee for management, brokerage, clearance, custody and administrative services. Motiv8 does not act as a sponsor or a portfolio manager of a wrap program. In a non-wrap pricing structure, the third party advisor's fee may be separated from the advisory fee charged by Motiv8. Transaction costs may also be charged for the execution and clearance of advisory transactions directed by such Third Party Advisory Services. A complete description of the programs and services provided, the amount of total fees, the payment structure, termination provisions and other aspects of each program are detailed and disclosed in: i) the third party advisor's Form ADV Part 2A; ii) the program wrap brochure (if applicable) or other applicable disclosure documents; iii) the disclosure documents of the portfolio manager(s) selected; or, iv) the third party advisor's account opening documents. A copy of all relevant disclosure documents of the third party advisor and of the individual portfolio manager(s) will be provided to anyone interested in these programs/managers.

### **Third Party Platforms for Held Away Assets**

We use a third-party platform to facilitate the management of held away assets such as defined contribution plan participant accounts, with discretion. The platform allows us to avoid being considered to have custody of Client funds since we do not have direct access to Client log-in credentials. We are not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the Client allowing them to connect an account(s) to the platform. Once Client account(s) is connected to the platform, we will review the current account allocations. When deemed necessary, we will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The goal is to improve account performance over time, minimize loss during difficult markets, and manage internal fees that harm account performance. Client account(s) will be reviewed periodically, and allocation changes will be made as deemed necessary.

### **Educational Seminars/Workshops**

Motiv8 periodically offers financial and investment education seminars and workshops to clients. While Motiv8 does not charge any fee for these seminars or workshops, the event organizer may charge a fee for attendance.

### **Assets Under Management**

As of December 2023, Motiv8 has \$ 161,355,661 in discretionary assets under management and \$0 in non-discretionary assets under management.

## **Fees and Compensation - Item 5**

Motiv8 charges a percentage of assets under management, hourly charges and fixed fees (not including subscription fees). We can also receive third party referral fees for the recommendation of third-party advisers.

### **Portfolio Management Services**

For portfolio management services, Motiv8 charges an annual fee based upon a percentage of the market value of the assets being managed.

Portfolio management fees are negotiable depending on factors such as the amount of assets under management, range of investments, and complexity of the client's financial circumstances, among others. Since this fee is negotiable, the exact fee paid by the client will be clearly stated in the advisory agreement signed by the client and the firm, and will not exceed 2% annually.

Portfolio management fees are billed monthly, in advance and are based on the value of your portfolio at the end of the preceding month. The custodian holding the client's account will deduct the fees directly from the account provided the client has given written authorization. The qualified custodian will send you an account statement at least quarterly. This statement will detail all account activity. The custodian will usually deduct the fee from a designated account to facilitate billing.

Our annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which will be incurred by the client. However, Motiv8 will not receive any portion of the

commissions, fees, and costs. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs.

At the inception of investment management services, the first pay period's fees will be calculated on a pro-rata basis. The Advisory Agreement between Motiv8 and the client will stay in effect until either party terminates the Agreement with a thirty (30) day written notice. Motiv8's fee will be pro-rated through the date of termination and any remaining balance shall be refunded to the client in a timely manner.

### **Financial Planning Services Fees**

Motiv8 provides its clients financial planning and consulting services. Motiv8 will charge a fixed fee and/or hourly fee for these services. We utilize the following financial planning fee schedules:

*Fixed Fees:* Motiv8 will charge a fixed fee that ranges from \$1,000 to \$10,000, for broad based planning services. The fee is determined based on the scope and complexity of the financial plan to be delivered to the client. *In limited circumstances*, the total cost could potentially exceed \$10,000. In these cases, we will notify the client and may request that the client pay an additional fee.

*Hourly Fees:* Motiv8 charges an hourly fee of \$300 for clients who request specific services (such as a modular plan or hourly consulting services) and do not desire a broad based written financial plan.

If the client engages Motiv8 for additional investment advisory services, Motiv8 may offset all or a portion of its fees for those services based upon the amount paid for financial planning services.

Prior to engaging Motiv8 to provide consulting services, the client will be required to enter into a written Agreement with our firm. The Agreement will set forth the terms and conditions of the engagement and describe the scope of the services to be provided and the portion of the fee that is due from the client. Generally, Motiv8 requires a prepayment of 50% of the fee with the remaining balance due upon completion of the agreed upon services. Motiv8 does not require the prepayment of over \$1,200, six or more months in advance. Other fee payment arrangements may be negotiated with the client on a case by case basis. All such arrangements will be clearly set forth in the Financial Planning Agreement signed by the client and the firm.

Either party may terminate the Agreement by written notice to the other. In the event the client terminates Motiv8's consulting services, the balance of Motiv8's unearned fees (if any) shall be refunded to the client.

### **Third Party Adviser (TPAs) Fees**

Motiv8 will perform management searches of various independent registered investment advisers for referral to Motiv8 clients. Motiv8 will share in the fee paid to the TPA. The management fee is disclosed in the TPA's disclosure documents. These fees may or may not be negotiable. Motiv8's compensation may differ depending upon the firm's individual agreement with each TPA. Motiv8 or its Associated Persons may have an incentive to recommend one TPA over another TPA with whom it has less favorable compensation arrangements or other advisory programs offered by TPAs with which it has no compensation arrangements. Clients are not obliged to use the services of any TPA we recommend.

### **Third Party Platforms for Held Away Assets**

For the management of held away assets on a third party platform, Motiv8 charges an annual fee of 1.45% of the market value of the assets being managed.

### **Additional Fees and Expenses**

The fees Motiv8 charges may be negotiable based on the amount of assets under management, complexity of client goals and objectives, and level of services rendered. As described above, the fees are charged as described and are not based on a share of capital gains of the funds of an advisory client.

All fees paid to Motiv8 for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

A client could invest in a mutual fund directly, without the services of Motiv8. In that case, the client would not receive the services provided by Motiv8 which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by Motiv8 to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

#### **General Information on Advisory Services and Fees**

We do not represent, warrant, or imply that the services or methods of analysis employed by our firm can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

We shall never have custody of any client funds or securities, as the services of a qualified and independent custodian will be used for these asset management services. We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements.

The fees charged are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds, or any portion of the funds of an advisory client (15 U.S.C. §80b-5(a)(1)).

#### **Compensation for the Sale of Insurance Products**

Associated Persons of Motiv8 are also licensed as insurance agents and can effect transactions in various insurance products, including life, health, disability, long-term care, and annuities among others. These individuals earn commissions for these activities. The firm expects that clients to whom it offers advisory services may also be clients for whom such individuals act as insurance agents. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned for placing the client in insurance products. These arrangements represent a conflict of interest due to the receipt of both advisory and commission compensation. Clients to whom the firm offers advisory services are informed that they are under no obligation to use the firm's Associated Persons for insurance services and may use the insurance brokerage firm and agent of their choice.

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

We and our Associated Persons do not accept performance based fees. Performance based fees are based on a share of capital gains on or capital appreciation of the client's assets.

#### **Types of Clients - Item 7**

We generally offer investment advisory services to individuals, pension and profit-sharing plans and participants, trusts, estates, charitable organizations, corporations, and other business entities.

We require a minimum of \$50,000 to open and maintain an advisory account. At our sole discretion we may waive this requirement. This requirement can be met by combining two or more accounts owned by you or related family members. Accounts managed by TPAs may be subject to different minimum investment requirements.

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

The following are different methods of analysis that we may use when providing you with investment advice:

**Fundamental Analysis** – fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's actual business and its future prospects. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.

**Technical Analysis** – technical analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall.

**Cyclical Analysis** – cyclical analysis is a technique that looks at cycles, specifically analyzing the way prices follow certain patterns and trends.

**Charting** – charting is a technique that attempts to forecast future market moves by studying historical data on charts.

We may use one or more of the following investment strategies when advising you on investments:

Long Term Purchases – securities held for over a year.

Short Term Purchases – securities held for less than a year.

Trading – securities are sold within 30 days.

The investment advice provided along with the strategies suggested by Motiv8 will vary depending on each client's specific financial situation and goals. The below section does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationship(s) into which you are entering and the extent of your exposure to risk.

Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed will be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

### **Investing in securities involves risk of loss that you should be prepared to bear.**

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments you intend to invest in.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit

quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Foreign Exchange Risk:** Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

**Risks Associated with Investing in Options:** Transactions in options carry a high degree of risk. A relatively small market movement will have a proportionately larger impact, which may work for or against the investor. The placing of certain orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

#### Disciplinary Information - Item 9

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. There is no history of reportable material legal or disciplinary events by our firm or our management persons.

#### Other Financial Industry Activities or Affiliations - Item 10

Michael Terrio, Managing Member of Motiv8, is the owner of Motiv8 Advisors Inc., an insurance field marketing organization and insurance agency that markets/wholesales life insurance and fixed annuities to third-party insurance agents in exchange for a marketing and/or override fee from the issuer of such insurance/annuity products. Associated Persons of Motiv8 who are separately licensed as insurance agents generally utilize the marketing and wholesaling services of Motiv8 Advisors Inc.

Mike Terrio, Inc., dba The Terrio Group, is affiliated with Motiv8 Investments, LLC and is licensed as an insurance agency. In this capacity, The Terrio Group acts as a broker for life insurance, fixed annuities, disability insurance and long-term care insurance. This service is made available and offered to our clients by our associated persons in their separate individual capacities as licensed insurance agents. The recommendation that clients purchase an insurance product through The Terrio Group presents a conflict of interest, as the receipt of commissions provide an incentive to recommend insurance products based on commissions to be received, rather than on a client's particular need. The firm expects that clients to whom it offers advisory services may also be clients for whom such individuals act as insurance agents. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned for placing the client in insurance products. Clients to whom the firm offers advisory services are informed that they are under no obligation to use the firm's Associated Persons for insurance services and may use the insurance brokerage firm and agent of their choice. Various investment adviser representatives own or control insurance agencies. Please refer to their ADV Part 2B brochures for more information on the individual investment adviser representatives.

Michael Terrio has been the owner of Crady T LLC since 10/13/2015. The property, located in 542 NW University Blvd Suite B102, Port St Lucie, FL 34986, is used as an office location. Michael Terrio has been the owner of SE Rays Way LLC since 07/03/2014. The property, located in 2104 SE Rays Way Stuart, FL 34994, is used as an office location. Michael Terrio is the 100% owner of Brash LLC, Brash LLC is a new Real Estate LLC for the property located at 542 NW University Blvd., B101 Port St. Lucie, FL 34986.

## **Recommendation of Other Advisors**

We may recommend that you use a third party advisor (TPA) as part of our asset allocation and investment strategy. Motiv8 will share in the compensation received by the TPA for managing your account. The compensation arrangement presents a conflict of interest due to a financial incentive to recommend the services of the third party advisor. You are not required to use the services of any TPA we recommend.

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

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

Motiv8 has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes Motiv8's policies and procedures developed to protect client's interests in relation to the following topics:

The duty at all times to place the interests of clients first;

- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics.
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of Motiv8's Code of Ethics is available upon request to Mike Terrio, CCO, at (772) 247-4488.

### **Personal Trading Practices**

At times Motiv8 and/or its Advisory Representatives may take positions in the same securities as clients, which may pose a conflict of interest with clients. Motiv8 and its Advisory Representatives will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades unless our associated persons participate in a block trade along our clients. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

## **Brokerage Practices - Item 12**

Motiv8 recommends the services of Charles Schwab & Co., Inc. Advisor Services ("Schwab") for our portfolio management program. Schwab is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

Schwab is an independent and unaffiliated SEC-registered broker-dealer. Schwab offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Motiv8 receives some benefits from Schwab through its participation in the program. (Please see the disclosure under Item 14 below.)

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

Although not considered "soft dollar" compensation, we may receive benefits from Schwab for research services that include reports, software, and institutional trading support.

In selecting a broker dealer based on discretionary authority, Motiv8 will endeavor to select those brokers or dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive

commission rates, volume discounts, execution price negotiations, the broker's reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions.

Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered. In addition, Motiv8 may cause the account to pay a higher commission in recognition of the value of "research services" and additional brokerage products and services a broker-dealer has provided or may be willing to provide.

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers and custodians in which we have an institutional advisory arrangement. Also, we do not receive other benefits from a broker-dealer in exchange for client referrals.

#### **Directed Brokerage**

The client may direct brokerage to a specified broker/dealer other than the firm recommended by Motiv8. In these cases, it is up to the client to negotiate the commission rate, as Motiv8 will not. The client may not be able to negotiate the most competitive rate. As a result, the client may pay more than the rate available through the broker/dealer used by Motiv8. Where the client does not otherwise designate a broker/dealer, Motiv8 recommends a broker/dealer with competitive commission rates.

#### **Trade Aggregation**

Motiv8 may "aggregate" or "block" purchase or sale transactions where it decides to purchase or sell the same securities for several clients at approximately the same time. Motiv8 may, in certain circumstances, include access person transactions with those of nonaffiliated clients. Generally, Motiv8 would aggregate or block such transactions in order to obtain best execution, to obtain more favorable commission rates, or to allocate equitably among multiple clients, the differences in prices, commissions or other transaction costs that might have been obtained had such orders been placed independently. Each account participating in the block will receive the average price if multiple executions are required to complete the order, and transactions and costs will be allocated in proportion to the purchase and sale orders placed for each client account in that security on that day.

However, because of Motiv8's practice of managing portfolios on an individual basis, Motiv8 does not frequently block transactions except for certain accounts managed in accordance with a model. Thus, Motiv8's ability to take advantage of volume discounts or other potential cost and execution advantages of block trades may be limited.

Motiv8 urges its Associated Persons to use block trading in appropriate cases to assist in all clients receiving the same execution price. In addition, accounts participating in block trades pay a proportional share of any commission, subject to minimum ticket charges. Motiv8 allows de minimis deviations with respect to allocation determinations in order to place round lots in advisory client accounts.

### **Review of Accounts - Item 13**

#### **Portfolio Management Account Reviews**

Motiv8 monitors client accounts on a continuous basis and conducts formal account reviews at least annually. Accounts are reviewed by the portfolio manager in charge of managing the account.

Additional reviews may be offered in certain circumstances. Triggering factors that may stimulate additional reviews include, but are not limited to, changes in economic conditions, changes in the client's financial situation or investment objectives, or a client's request.

A financial plan is a snapshot in time and no ongoing reviews are conducted. We recommend clients engage us on an annual basis to update the financial plan.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis. Motiv8 may provide separate reports on an as needed basis.

#### Client Referrals and Other Compensation - Item 14

As disclosed under Item 12 above, Motiv8 participates in Schwab's institutional customer program and Motiv8 may recommend Schwab to clients for custody and brokerage services. There is no direct link between Motiv8's participation in the program and the investment advice it gives to its clients, although Motiv8 receives economic benefits through its participation in the program that are typically not available to Schwab's retail investors.

These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For Motiv8 client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to Motiv8 other products and services that benefit Motiv8 but may not benefit its clients' accounts. These benefits may include national, regional or Motiv8 specific educational events organized and/or sponsored by Schwab. Other potential benefits may include occasional business entertainment of personnel of Motiv8 by Schwab personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Motiv8 in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of Motiv8's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of Motiv8's accounts. Schwab also makes available to Motiv8 other services intended to help Motiv8 manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to Motiv8 by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Motiv8. Motiv8 is independently owned and operated and not affiliated with Schwab.

We and our related persons do not compensate, either directly or indirectly, any person or entity who is not our supervised person for client referrals.

#### **Recommendation of Other Advisors**

We may recommend that you use a third-party advisor (TPA) as part of our asset allocation and investment strategy. Motiv8 will share in the compensation received by the TPA for managing your account. The compensation arrangement presents a conflict of interest due to a financial incentive to recommend the services of the third party advisor. You are not required to use the services of any TPA we recommend.

We may, via written arrangement, retain third parties to act as solicitors for our investment management services. All compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law. We will ensure each solicitor is properly registered in all appropriate jurisdictions.

#### Custody - Item 15

Motiv8 is deemed to have custody of client funds because of the fee deduction authority granted by the client in the Advisory Agreement. Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. Clients are urged to review custodial account statements for accuracy.

Additionally, certain Clients have, and could in the future, sign a Standing Letter of Authorization (“SLOA”) that gives us the authority to transfer funds to a third-party as directed by the Client in the SLOA. This is also deemed to give us custody. In the case of SLOAs, we must: (i) confirm that the name and address of the third party is included in the SLOA, (ii) document that the third-party receiving the transfer is not related to our firm, and (iii) ensure that certain requirements are being performed by the qualified custodian.

#### Investment Discretion - Item 16

Motiv8 offers Portfolio Management Services on a discretionary basis. Clients must grant discretionary authority in the client Advisory Agreement. Discretionary authority extends to the types and amounts of securities to be bought and sold in client accounts. Motiv8 does not have the ability to withdraw funds or securities from the client’s account. The client provides Motiv8 discretionary authority via a limited power of attorney in the Asset Management Agreement and in the contract between the client and the custodian.

In a non-discretionary account, Motiv8 recommends the purchase or sale of securities for review and approval by the client. Motiv8 will only purchase or sell securities which have been approved by clients in advance.

If you wish, you may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the “Advisory Business” section in this Brochure for more information on our discretionary management services.

#### Voting Client Securities - Item 17

##### **Proxy Voting**

Motiv8 does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

#### Financial Information - Item 18

We are required in this Item to provide you with certain financial information or disclosures about Motiv8’s, financial condition. Motiv8 does not require the prepayment of over \$1,200, six or more months in advance. Additionally, Motiv8 has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.