Reshape, LLC

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**Form ADV Part 2A – Disclosure Brochure**
CRD No. **330582**
**http://www.reshapewealth.com**
**Effective: March March 28, 2025**

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This Part 2A of Form ADV ("Brochure") provides information about the qualifications and business practices of Reshape, LLC. ("Reshape" or "us" or "we" or the "Firm"). If you have any questions about the contents of this Brochure, please contact us at info@reshapewealth.com or (646) 626-7902. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration does not imply a certain level of skill or training.

Additional information about Reshape is available on the SEC's website at www.adviserinfo.sec.gov.

## Item 2: Material Changes

Since our initial ADV filing of our Brochure on March 29, 2024, the following material changes have been made:

- We updated Items 4, 5 and 8 to include information Direct Participation Programs
- We updated Item 4 to update the Firm's hourly rate for certain services and to note that Reshape reserves the right to increase a client's fees in certain circumstances
- We updated Item 10 to include information about insurance
- We updated Item 12 to include Fidelity Investments, Inc. as a recommended custodian
- We updated Item 16 to describe the discretionary authority Reshape has for certain client accounts

This summary does not contain detail about every revision to the Brochure; clients are encouraged to review the Brochure in its entirety. To request a complete copy of our Brochure, contact us by telephone at (646) 626-7902 or by email to info@reshapewealth.com. Alternatively, you can view the current Disclosure Brochure online at the SEC's Investment Advisor Public Disclosure website at www.advisorinfo.sec.

## Item 3: Table of Contents

## Item 4: Advisory Business

### A. firm description

Reshape, LLC ("Reshape" or the "Firm" or "us" or "we") is a registered investment advisor formed under the laws of New Jersey as a Limited Liability company. Reshape, LLC registered with the SEC in April 2024.

Reshape, LLC is wholly owned by Reshape Wealth, LLC.

### B. types of advisory services

#### OVERVIEW OF SERVICES

Reshape dedicates itself to understanding the objectives of each client. For all services described below, we tailor our advisory services in accordance with client-specific needs. Before providing investment advisory services, Reshape takes multiple factors into consideration, including, but not limited to, investment objectives, investment horizon, risk tolerance, as well as any reasonable guidelines and restrictions a client may need or impose.

#### INVESTMENT ADVISORY SERVICES

Reshape's investment advisory services include, but are not limited to, the following:

- Portfolio Management Services
- Direct Participation Programs
- Third Party Asset Management
- Financial Planning Services
- Financial Consulting Services
- Retirement Plan Consulting Services

#### PORTFOLIO MANAGEMENT SERVICES

We provide discretionary portfolio management services to clients, based on the specific needs and objectives of each client. Before engaging us to provide any of the investment advisory services, we require that the client review and sign a written investment advisory agreement ("IAA"). The IAA outlines the services and fees the clients will incur pursuant to the IAA with Reshape.

Upon signing the IAA, we will meet with the client to understand their current financial situation, existing resources, financial goals, and risk tolerance. Based on what is learned, an investment approach is created. Portfolios will be designed to meet a particular investment goal, determined to be in the best interests of the client . A portfolio will typically include single stocks, mutual funds, exchange traded funds ("ETFs"), bonds and/or annuities. For some clients who are interested and financially qualified, a portfolio will include alternative investments.

Once an appropriate portfolio is determined, portfolios are continuously and regularly monitored and, if necessary, rebalanced based upon the client's individual needs, stated goals, and objectives. Reshape engages subadvisors and third-party managers to provide research, advice, and investment management services for some of our clients. Portfolio management clients are responsible for notifying Reshape and their advisor of any changes to their financial situation, investment objectives, risk tolerance or investment restrictions (if any).

DIRECT PARTICIPATION PROGRAMS

From time to time, as appropriate based on the client's investment profile, we also recommend that qualified clients invest in Direct Participation Programs, ("DPP") which may be comprised of private placements, and other alternative investments, including, but not limited to limited partnerships, , public non-traded offerings (i.e. S-1 offerings, Intrastate offerings, Business Development Companies ("BDCs"), non-traded mutual funds, etc.), non-traded Real Estate Investment Trusts ("REITs"), or non-traded oil and gas programs, privately offered securities and/or other non-registered investments

Each DPP will have certain investor net worth and suitability standards, which shall be disclosed in each prospectus or offering circular presented to the client. In general, most DPPs will require the investor to be "accredited" as defined in Regulation D promulgated under the Securities Act of 1933, which generally refers to investors who are high-net worth or financially sophisticated and have a reduced need for the protection provided by regulatory disclosure filings.

While each DPP security selected may have its own early redemption program, in general, any DPP investment should be considered illiquid. That is, there may be no secondary market upon which to sell one's investment and thus no opportunity to convert one's investment into cash. Anticipated holding periods will vary depending on the nature and strategy of the DPP program. Reshape will communicate anticipated holding periods per language provided within each DPP's investment prospectus or offering circular. However, there is no guarantee that a liquidity event will occur within the prescribed timeframe or at all. All DPP investments should be considered speculative in nature, subject to a high degree of risk, including the risk of losing one's entire investment.

Reshape does not have discretionary authority to purchase DPPs on behalf of clients and will secure the client's purchase authorization before completing the purchase of a DPP. As such, the purchase of DPPs is done on a nondiscretionary basis and requires the client's approval.

## THIRD PARTY ASSET MANAGEMENT

Reshape's discretionary authority authorizes us to enter into sub-advisory and/or co-advisory relationships with other Third-Party Managers ("Managers") to provide research, advice and guidance and/or investment management services. Under a co-advisory arrangement, both Reshape and the Manager retain certain investment decision-making and trade authority as described in the co-advisory agreement. Reshape selects the Manager to oversee the daily management of the client's account/s and confirms that the Manager's portfolio strategy is consistent with the client's investment objectives, risk tolerance and liquidity needs and goals.

In selecting a Manager, the Firm considers factors including the Manager's experience, assets under management, performance record, client retention, the level of client services provided, investment style, buy and sell disciplines, and the general investment process. Managers may take discretionary authority to determine the securities to be purchased and sold for the client. The information you provide your Investment Advisor Representative (IAR) will help determine which Third Party Manager model or portfolio strategy will be recommended for you.

## FINANCIAL PLANNING SERVICES

We provide our clients with an analysis of their current financial situation and recommendations relating to their financial goals. Financial planning services do not involve the active management of client accounts, but instead focus on a client's overall financial situation and services include identifying long-term financial goals, tax planning, asset allocation, risk management, retirement planning. The role of the financial planner is to find ways to help the client understand their overall financial situation and set financial objectives.

An inherent conflict exists between the interests of Reshape and the interests of the client because Reshape also offers portfolio management services. Financial planning clients are under no obligation to act upon Reshape's recommendations. Should a client elect to act on any recommendations made by Reshape, the client is under no obligation to effect transactions through the firm.

## FINANCIAL CONSULTING SERVICES

We provide our clients with financial consulting services to create a plan to guide our clients toward achieving specific financial goals or analysis of specific client issues. This involves advising on assets managed elsewhere such as a private investment portfolio, private placements and/or 401(k) account held at an employer-sponsored fund. Specific client analysis issues vary, but common examples include deciding whether to start, buy, or sell a business, creating a regular savings plan, developing a private investment portfolio, funding a home purchase, or developing a holistic estate plan. These services are usually provided on a non-discretionary basis but may be discretionary depending on the client's IAA.

Reshape's financial consulting process begins with a client meeting to discuss the specific goal or issue the client would like to address. Once the goal or issue is defined, Reshape works with the client to gather necessary information or documents to complete this process. An inherent conflict exists between the interests of Reshape and the interests of the client if Reshape recommends that the client hire Reshape for investment management services. The client is under no obligation to act upon Reshape's recommendations or to utilize Reshape's investment management services. The client is under no obligation to affect the transactions through the Firm.

## RETIREMENT PLAN CONSULTING

Reshape offers consulting services to pension or other employee benefit plans (including 401(k) plans). Retirement plan consulting includes, but is not limited to identifying investment objectives and restrictions, providing guidance on various assets classes and investment options, recommending money managers to manage plan assets in ways designed to achieve objectives, monitoring performance of money managers and investment options and making recommendations for changes, recommending other service providers, such as custodians, administrators and broker—dealers, creating a written consulting plan. These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its participants.

When we provide investment advice to you regarding your retirement plan account or individual retirement account (401k, 403b, IRA, etc.), we are fiduciaries within the meaning of Title 1 of the Employee Retirement Income Security Act of 1975 ("ERISA") and/or section 4975 of the Internal Revenue Code of 1986, as amended (the "IRC"), as applicable, with respect to investment management services and investment advice provided to individual retirement accounts ("IRAs"), ERISA plans, and ERISA plan participants. As such, Reshape is subject to specific duties and obligations under ERISA and the IRC, as applicable, that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice, the fiduciary must either avoid certain conflicts of interest or rely upon an applicable prohibited transaction exemption. The fiduciary standard is intended so that financial transactions facilitated by Reshape and its staff are aligned with your best interests and comply with the Department of Labor (DOL) requirements relative to advising on retirement plan assets.

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

As a fiduciary, we have duties of care and of loyalty to you and are subject to obligations imposed on us by the federal and state securities laws. As a result, you have certain rights that you cannot waive or limit by contract. Nothing in our agreement with you should be interpreted as a limitation of our obligations under the federal and state securities laws or as a waiver of any non-waivable rights you possess.

**Retirement Rollovers Conflict of Interest**. When Reshape recommends you roll over your account from a current retirement plan account to an individual retirement account managed by Reshape a conflict of interest exists

We can earn increased investment advisory fees by recommending that you roll over your account at the retirement plan to an IRA managed by Reshape. We will earn fewer investment advisory fees if you do not roll over the funds in the retirement plan to an IRA managed by Reshape.

Thus, Reshape has an economic incentive to recommend a rollover of funds from a retirement plan to an IRA which is a conflict of interest because our recommendation that you open an IRA account to be managed by our firm can be based on our economic incentive and not based exclusively on whether or not moving the IRA to our management program is in your overall best interest.

We have taken steps to manage this conflict of interest. We have adopted an impartial conduct standard whereby our investment adviser representatives will (i) provide investment advice to a retirement plan participant regarding a rollover of funds from the retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in Reshape receiving unreasonable compensation related to the rollover of funds from the retirement plan to an IRA, and (iii) fully disclose compensation received by Reshape and our supervised persons and any material conflicts of interest related to recommending the rollover of funds from the retirement plan to an IRA and refrain from making any materially misleading statements regarding such rollover.

When providing advice to your regarding a retirement plan account or IRA, our investment advisor representatives will act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk, tolerance, financial circumstances, and a client's needs, without regard to the financial or other interests of Reshape or our affiliated personnel.

The client has options other than rolling over the assets to an account managed by Reshape, including managing the assets without the assistance of Reshape as part of their current employer sponsored retirement plan or by rolling over the assets to an IRA. In both cases, the client would not be required to pay additional fees to Reshape and the client would be responsible for managing the assets on their own. The Client always has the right to decide whether or not to rollover retirement plan assets to an account managed by Reshape.

## D. WRAP FEE PROGRAMS

Reshape does not participate in and is not a sponsor of wrap fee programs.

## E. ASSETS UNDER MANAGEMENT

Reshape currently reports $171,942,100 in client assets on a discretionary basis and $0.00 on a non-discretionary basis. Assets Under Management were calculated as of December 31, 2024.

## Item 5: Fees and Compensation

### A. FEE SCHEDULES AND FEE PAYMENTS

#### PORTFOLIO MANAGEMENT FEES

Reshape charges ongoing fees for services based on the total assets held in each Account under Advisor's management. The portfolio management fees are either calculated as a percentage of the Client's assets under management ("AUM Fee") in each Account (or as based on the household value of all Account(s) for Client's who have linear fee schedules) including all cash, cash equivalents and other assets (including accrued interest, accrued dividends, and margin) in Account(s) (the "Account Value") and/or a flat fee basis as negotiated between Client and Advisor. Portfolio Management fees charged as well as the timing of assessment are negotiated between Reshape and the client. AUM Fees can be charged as a flat fee percentage or a linear fee percentage structure but will not exceed 2.5% of assets under management annually.

Portfolio management fees will be billed in advance or in arrears monthly or quarterly as agreed in your IAA.

New clients will be charged a prorated fee for the initial quarter or month in which services are rendered. Clients should discuss with their advisor the exact fee schedule agreed to in their IAA.

Additional assets of $20,000 or more deposited into Account(s) or withdrawn after the billing period will also be billed or refunded on a pro rata basis.

Reshape reserves the right to increase a client's fees upon written notice thirty (30) days in advance of the change. Reshape has discretion for reducing fees without notice. Negotiated fees can be higher than the fees charged by other investment advisers for similar services, particularly if the negotiated fee is at or near the maximum fee rate set out above. Fees are determined based on numerous factors such as the total amount of assets in the relationship, the complexity of the services, and the number and range of supplementary advisory and client-related services to be provided. *As a result, Clients could pay different fees for the services provided by Reshape.*

Fees due to Reshape are typically deducted by the custodian directly from the client's account under management and will be paid to Reshape as appropriate. Clients will provide written authorization permitting the fees to be paid directly from the account. Both Reshape's IAA and the custodial/clearing agreement authorize the custodian to debit the account for Reshape's investment management fees and to directly remit that fee to Reshape in compliance with regulatory procedures.

#### DIRECT PARTICIPATION PROGRAM FEES

Reshape will charge an ongoing investment advisory fee as a flat fee percentage or a linear fee percentage structure based on the total assets held in each Direct Participation Program which

Reshape fee (exclusive of any DDP fee) will not exceed 2.5% annually, or on a fixed fee or hourly fee basis.

When Reshape charges based upon a percentage of assets held in each DPP, Reshape will utilize the value of the investment or fund as reported by the investment sponsor on the last day of the month immediately preceding the billing cycle. Investment sponsors' practices vary as to the timing of their valuation reporting, ranging from daily, monthly, quarterly, or annually – some do not update the valuation of its investment or fund until it has achieved a liquidity event. The underlying or intrinsic value of an investment held in a Direct Participation Program may be higher or lower than its published valuation. Some sponsors do not adjust previously determined Fair Values. In the event an updated valuation has not been provided by the investment sponsor, Reshape will use the valuation from the prior billing cycle.

In cases where the sponsor does not determine the fair market value of the investment of fund, Reshape will, on at least an annual basis, undertake best efforts to ascertain the fair market value. The client's advisory fee will then be based on the updated fair market valuation.

Fixed fees are negotiated, agreed to in advance and will vary based on the nature and extent of the services provided by Reshape. Alternatively, clients may negotiate an hourly rate, not to exceed $1000 per hour. Reshape will bill the client for their services based on the scope of services rendered. Any unused services by the client (or upon termination of the written advisory agreement) will result in a refund for any fees paid to but not earned by Reshape. Payment for hourly fees will be invoiced and due within 30 days.

Fees due to Reshape for Direct Participation Program assets are typically deducted indirectly from a separate non-qualified account held at a custodian in which Reshape has permission from the client to withdraw fees. The client can also elect to pay fees by check. In the limited event that Reshape bills the client directly, payment in full is expected upon invoice presentation. All checks are due within ten (10) days from receipt of invoice.

The investment advisory fees you pay Reshape is separate from the fees you pay the Sponsor, General Partner or Manager of the DPP.

Reshape reserves the right to increase a client's fees upon written notice thirty (30) days in advance of the change. Reshape has discretion for reducing fees without notice. Negotiated fees can be higher than the fees charged by other investment advisers for similar services, particularly if the negotiated fee is at or near the maximum fee rate set out above. Fees are determined based on numerous factors such as the total amount of assets in the relationship, the complexity of the services, and the number and range of supplementary advisory and client-related services to be provided. *As a result, Clients could pay different fees for the services provided by Reshape.*

### THIRD PARTY MANAGER FEES

Reshape provides investment advice and recommendations on the investment strategies of Third-Party Managers ("Managers"). Following recommendations from our Investment Adviser

Representatives, clients will have final authority to select a Manager. Client's Reshape IAR will assist you in completing appropriate documents.

The fee you pay Reshape is separate from the fee you pay the Third-Party Manager and may be charged directly by the Third-Party Manager. In some instances, Reshape may will aggregate the Third-Party Management fee with the Reshape fee. The aggregate of these fees will not exceed 2.5% of assets under management per year.

Reshape reserves the right to increase a client's fees upon written notice thirty (30) days in advance of the change. Reshape has discretion for reducing fees without notice. Negotiated fees can be higher than the fees charged by other investment advisers for similar services, particularly if the negotiated fee is at or near the maximum fee rate set out above. Fees are determined based on numerous factors such as the total amount of assets in the relationship, the complexity of the services, and the number and range of supplementary advisory and client-related services to be provided. *As a result, Clients could pay different fees for the services provided by Reshape.*

## FINANCIAL PLANNING FEES

Fees for Reshape's financial planning services are agreed upon at the time of engagement. The financial planning services fees are negotiable based on the complexity and scope of the services, the estimated time required, as well as the client's financial situation and objectives. If additional services or changes to the engagement which exceed the estimated fee are required, Reshape will notify the client in writing as soon as possible to discuss the necessary additional fees. Financial Planning fees will be charged on a fixed fee or hourly basis. Fixed fees are negotiated, agreed to in advance and will vary based on the nature and extent of the services provided by Reshape. Alternatively, clients may negotiate an hourly rate, not to exceed $1000 per hour. Reshape will bill the client for their financial planning services based on the scope of services rendered.

Clients will authorize Reshape to debit Financial Planning Fees from a designated custodial Account or can elect to pay fees by check. In the limited event Reshape bills the client directly, payment in full is expected upon invoice presentation. All checks are due within ten (10) days from receipt of invoice.

In some cases, Reshape will require the prepayment of fees equal to half of the expected total fee for Financial Planning Services. If services are terminated, a refund will be paid to clients for any amount paid in advance that was not earned.

Reshape reserves the right to increase a client's fees upon written notice thirty (30) days in advance of the change. Reshape has discretion for reducing fees without notice. Negotiated fees can be higher than the fees charged by other investment advisers for similar services, particularly if the negotiated fee is at or near the maximum fee rate set out above. Fees are determined based on numerous factors such as the total amount of assets in the relationship, the complexity of the services, and the number and range of supplementary advisory and client-related services to be provided. *As a result, Clients could pay different fees for the services provided by Reshape.*

## FINANCIAL CONSULTING FEES

In some cases, Reshape will provide financial consulting services that require an unknown amount of time or are limited in scope. Fees will be based on assets advised on (for held away accounts), a fixed fee or an hourly rate. The negotiable hourly rate for these services will not exceed $1000 per hour. Services are approved by the client, in advance, and are billed monthly or quarterly. Any unused services by the client (or upon termination of the written advisory agreement) will result in a refund for any fees paid but not earned by the firm. Payment for hourly fees will be invoiced and due within 30 days.

Reshape reserves the right to negotiate or waive financial consulting fees in special situations, such as for clients who also hire Reshape for its Portfolio Management Services.
Clients who use Reshape Portfolio Management Service will authorize Reshape to debit Financial Consulting Fees from a designated custodial Account or can elect to pay fees by check. In the limited event Reshape bills the client directly, payment in full is expected upon invoice presentation. All checks are due within ten (10) days from receipt of invoice. In some cases, Reshape will require the prepayment of fees equal to half of the expected total fee for financial consulting. If services are terminated, a refund will be paid to clients for any amount paid in advance that was not earned.

Reshape reserves the right to increase a client's fees upon written notice thirty (30) days in advance of the change. Reshape has discretion for reducing fees without notice. Negotiated fees can be higher than the fees charged by other investment advisers for similar services, particularly if the negotiated fee is at or near the maximum fee rate set out above. Fees are determined based on numerous factors such as the total amount of assets in the relationship, the complexity of the services, and the number and range of supplementary advisory and client-related services to be provided. *As a result, Clients could pay different fees for the services provided by Reshape.*

## RETIREMENT PLAN CONSULTING FEES

ERISA and Non-ERISA employer retirement plan consulting and managed account fees are subject to negotiation and are charged on an AUM, fixed or hourly basis. Reshape provides plan-level consulting and managed account services to retirement plans covered under ERISA. Fees will be charged quarterly or monthly in arrears or advance based on the assets as calculated by the custodian or record keeper of the plan assets (without adjustments for anticipated withdrawals by plan participants or other anticipated or scheduled transfers or distributions of assets). If the services to be provided start any time other than the first day of a quarter or month, the fee will is prorated based on the funding date. If an agreement is terminated prior to the end of the billing cycle, your fee will be prorated (if your fees are calculated in arrears) or you will receive a prorated refund of fees (if your fees are calculated in advance) based on termination date. Your fee structure and schedule will be contained in your IMA with Reshape. Client will elect to be billed directly or have fees deducted from plan assets.

Hourly fees are negotiable, agreed upon in advance between you and your advisor, and shall not exceed $1000 per hour. Time is accrued in 15-minute increments. Hourly fees are invoiced and due within 30 days. You have the option to authorize us to debit hourly fees directly from your custodial account quarterly.
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Fixed fees are negotiable, agreed upon in advance and shall vary based on the nature and extent of the services agreed to be rendered, between you and your advisor. You have the option to authorize Reshape to debit fixed fees directly from your custodial account quarterly.

Reshape reserves the right to increase fees upon written notice thirty (30) days in advance of the change. Reshape has discretion for reducing fees without notice. Negotiated fees can be higher than the fees charged by other investment advisers for similar services, particularly if the negotiated fee is at or near the maximum fee rate set out above. Fees are determined based on numerous factors such as the total amount of assets in the relationship, the complexity of the services, and the number and range of supplementary advisory and client-related services to be provided. *As a result, Clients could pay different fees for the services provided by Reshape.*

### REFUNDS

*The Investment Agreement between Reshape and you will continue in effect until terminated by either party by written notice in accordance with the terms of the Agreement. Upon termination, Reshape shall refund any unearned prorated portion of fees charged in advance based upon the number of days remaining in the billing quarter. Accounts billed in arrears will be charged a pro-rated fee prior to termination.*

## B. OTHER FEES AND PAYMENTS

Clients are responsible for any additional fees or charges that result from the maintenance of or trading within a client's account. These are fees imposed by third parties in connection with investments made through a client's account, such as trading, exchange, custodial and investment management fees. In addition to our investment management fees, clients are responsible for paying all fees associated with trading in their accounts. Fees and expenses will be disclosed in the custodial agreement or fund prospectus as applicable.

Advisory fees and transaction charges do not cover charges imposed by third parties for investments held in the account, such as contingent deferred sales charges or 12(b)-1 trails on mutual funds. Some mutual funds pay 12(b)-1 service fees (normally 0.25% per year) to the Custodian or Manager. Mutual funds that Reshape could purchase or recommend offer a variety of share classes, including some that do not charge 12(b)-1 fees and are, therefore, less expensive. These fee arrangements will be disclosed upon request of a Client and are available in the applicable fund's prospectus.

Clients will incur a fee of $40 per account charged annually for technology (used to support data reconciliation, performance reporting, fee calculation and billing, research, Client database maintenance, quarterly performance evaluations, payable reports, models, trading platforms, and other functions related to the administrative tasks of managing Client accounts), unless waived at your investment advisor representative's discretion. Fees are automatically debited from account in advance on quarterly basis at the same billing frequency described above(i.e. $40 annual fee is charged $10 per quarter). This technology fee is in addition to the stated standard or negotiated fees charged by Reshape.

### C. Prepayment of Fees

Reshape will not collect fees more than $1200 for services to be rendered six months or more in advance.

## Item 6: Performance-Based Fees And Side-By-Side Management

### A. Performance Based Compensation

Reshape does not assess Performance Fees. Certain Third Party Sponsors Reshape recommends may charge performance based compensation. Performance-Based Fees ("Performance Fees") are based on a share of the capital gains or capital appreciation of the assets of a client.

### B. Side-By-Side Management

Reshape does not provide Side-By-Side Management.

## Item 7: Types Of Clients

Reshape generally provides investment management services to individuals and high-net-worth individuals.

We require clients to have a $500,000 minimum account balance to open or maintain their account with us.  This minimum can be waived or reduced at Reshape's discretion.

## ITEM 8: Methods Of Analysis, Investment Strategies, Risk Of Loss

### A. Methods of Analysis & Investment Strategies

**Methods of Analysis**
Reshape uses the methods of analysis identified below to determine the proper investment strategy for each client. Our strategies are heavily based on each client's personal circumstances, financial goals, and their risk tolerance.

***Fundamental analysis*** concentrates on factors that determine a company's value and expected future earnings. It involves analyzing its financial statements and health, its management and competitive advantages and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives: to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions and to calculate its credit risk. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

***Technical analysis*** is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. It attempts to predict a future stock price or direction based on market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall. Technical analysis methods employ software and other financial data management tools to assess various aspects of the marketplace. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

***Top-Down analysis*** is a method of analyzing securities by starting with the big picture and then narrowing down to the specific details. This strategy includes macroeconomic analysis, geopolitical and capital market conditions, business regulations and industry developments. The analysis is used to determine what areas have the most favorable conditions for investing. The next step is to analyze the sectors or industries within the selected area expected to benefit from the macroeconomic trends. The final step in the analysis is to evaluate individual stocks or securities within the chosen sectors or industries based on fundamental analysis. This may include looking at financial statements, earning reports, valuation ratios, competitive advantages, growth prospects and dividend policies. These factors are compared across different stocks or securities to select the ones that have the most attractive features and potential returns.

***Bottom-Up analysis*** is a method of investing that focuses on analyzing individual stocks and de-emphasizes the significance of macroeconomic and market cycles. The analysis includes analyzing companies or funds and evaluating their relative metrics, such as price-to-earnings, price-to-book and price-to-sales. Company specific information such as long-term earnings trends, dividend payout policies, revenue growth, operating income growth and cash flow growth measures, as well as short term catalysts are analyzed when determining whether to make an investment in a particular stock or fund.

**Investment Strategy**

An analysis of your current financial situation, risk tolerance, and future needs will be used to help determine the best investment vehicles to meet your investment objectives. The replacement of an investment vehicle may be triggered by performance, a change in management, market outlook or your personal financial situation.

## B. Risk of Loss

***Clients must be aware that investing in securities involves risk of loss of the principal.*** Every method of analysis has its own inherent risks. To perform an accurate investment analysis, Reshape must have access to current market information. Reshape has no control over the dissemination rate of market information; therefore, unbeknownst to Reshape certain analyses may be compiled with old and inaccurate market information, severely limiting the value of Reshape's analysis. Furthermore, an accurate investment analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Reshape) will be profitable or equal any specific performance level(s). Reshape does not represent, warrant, or imply that its services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. Notwithstanding Reshape's method of analysis or investment strategy, the assets within the client's portfolio are subject to risk of devaluation or loss. The client should be aware that there are many different events that can affect the value of the client's assets or portfolio including, but not limited to, changes in financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, and natural disasters.

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar will be worth more today than a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Prepayment Risk:** The returns on the collateral for the deal can change dramatically at times if the debtors prepay the loans earlier than scheduled.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** This risk is associated with a particular industry or a particular company within an industry.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Leverage Risk:** The most obvious risk of leverage is that it multiplies losses. Leverage risk can occur in many ways. Some examples include: margin on your account, investment products, and companies that use leverage to conduct business. An investor who buys a stock on 50% margin will lose 40% of his money if the stock declines 20%. If leverage is attained through the use of derivatives it may involve a counterparty, either a creditor or a derivative counterparty. If a derivative counterparty fails, unrealized gains on the contract may be jeopardized. (See counterparty risks below) Leverage can increase both positive and negative returns. In a declining market or sudden market crash leverage can result in partial or complete loss of value in your account.
- **Tax Risk:** A Client should understand that all or a portion of their securities may be sold either at the initiation of or during the course of the management of their assets, which might create tax liabilities, depending on the registration of the account. Investments may produce tax liabilities even if they do not have income to distribute, have been recently purchased and/or performance has been poor. Client accounts may be subject to backup withholding. Certain investment strategies and investments do not take tax liability into consideration. It is important for Clients to notify us if their account(s) require special handling because of their tax situation. Clients are responsible for all tax liabilities and Clients are encouraged to seek the advice of a qualified tax professional.
- **Counterparty Risk:** Investments we recommend or purchase on your behalf will contain various degrees of counterparty risk. Counterparty risk can be described as is the risk associated with the other party to a financial contract not meeting its obligations. Examples include when a counterparty to a transaction is unable to pay out on a bond, credit derivative, trade credit insurance or payment protection insurance contract, or other trade or transaction when it is supposed to. While we attempt to manage counterparty risk, the elimination of counterparty risk cannot be guaranteed. The failure of a counterparty in an investment, transaction or your account will result in a partial or complete loss of value. In addition, we rely on counterparties to cooperate with our technological programs and that also cannot be guaranteed. Although we seek best execution during trading for each transaction, there is some risk involved that the counterparty or technology platform may not perform as expected and could result in less-than-ideal execution of transactions. Counterparty risks are present in all our investment strategies.
- **Market Timing Risks:** We may attempt to time the market when buying, selling or shorting of public equities. Since it is impossible for us to predict the best time to buy or sell a security, there is a risk that our timing may not result in the best price. There is also the risk that the cost of trading outweighs the benefit of the trading activity. The greater

the frequency of trading the greater the market timing risks and therefore day trading is especially risky/speculative. Frequent trading in an effort to anticipate market movements may severely hurt the value of a portfolio as this type of activity is highly speculative.

- **Selling Short Risks:** In finance, short selling (also known as shorting or going short) is the practice of selling assets that have not been purchased beforehand, but which the seller may have borrowed from a third party with the intention of buying identical assets back at a later date to return to that third party. The short seller hopes to profit from a decline in the price of the assets. The short seller will incur a loss if the price of the assets rises, and there is no theoretical limit to the loss that can be incurred by a short seller
- **Fraud:** Risk of fraud is present when investing. This risk is present within the security, investment or counterparties used while managing your account. An example of fraud risk is the risk that the accounting within a publicly traded company is fraudulent. While we attempt to manage the risk of fraud, the elimination of fraud risk cannot be guaranteed. The occurrence of fraud in a security or investment will result in a partial or complete loss of value of your account. Fraud risks are present in all our investment strategies.
- **Valuation Risks:** In valuing assets that lack a readily ascertainable market value, Reshape or its agent may utilize dealer-supplied quotations or pricing models based on methodologies that are subject to error.
- **Extraordinary Events:** Extraordinary events are a part of the risks taken when investing. The risk of war, natural disaster, pandemic, riots, strikes, cyber-attack, economic crisis, infrastructure failure, government failure and other unpredictable events are all present when investing. We cannot eliminate Extraordinary Risks and the occurrence of such an event may make historically safe assets or trading strategies suddenly riskier. The occurrence of an extraordinary event could result in a partial or complete loss of value of your account. Extraordinary event risks are present in all our investment strategies.

Risk factors relevant to specific securities utilized include:

- **Equity Securities:** The value of the equity securities is subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and riskier than some other forms of investment.
- **Exchange Traded Funds ("ETF"):** ETFs are a recently developed type of investment security, representing an interest in a passively managed portfolio of securities selected to replicate a securities index, such as the S&P 500 Index or the Dow Jones Industrial Average, or to represent exposure to a particular industry or sector. Unlike open-end mutual funds, the shares of ETFs and closed-end investment companies are not purchased and redeemed by investors directly with the fund, but instead are purchased and sold through broker-dealers in transactions on a stock exchange. Because ETF and closed-end fund shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. In addition to bearing the risks related to investments in equity securities, investors in ETFs intended to replicate a securities index bear the risk that the ETF's performance may not correctly replicate the performance of the index. Investors in ETFs, closed-end funds and other

investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs, and other expenses. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.

- **Fixed Income Securities:** Prices of fixed income securities tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect fixed income security prices. The longer the effective maturity and duration of the client's portfolio, the more the portfolio's value is likely to react to interest rates. For example, securities with longer maturities sometimes offer higher yields, but are subject to greater price shifts because of interest rate changes than debt securities with shorter maturities. Some fixed income securities give the issuer the option to call, or redeem, the securities before their maturity dates. If an issuer calls its security during a time of declining interest rates, we might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value because of declining interest rates. During periods of market illiquidity or rising interest rates, prices of callable issues are subject to increased price fluctuation.
- **Municipal Bond:** Municipal securities issuers may face local economic or business conditions (including bankruptcy) and litigation, legislation or other political events that could have a significant effect on the ability of the municipality to make payments on the interest or principal of its municipal bonds. In addition, because municipalities issue municipal securities to finance similar types of projects, such as education, healthcare, transportation, infrastructure and utility projects, conditions in those sectors can affect the overall municipal bond market. Furthermore, changes in the financial condition of one municipality may affect the overall municipal bond market. The municipal obligations in which clients invest will be subject to credit risk, market risk, interest rate risk, credit spread risk, selection risk, call and redemption risk and tax risk, and the occurrence of any one of these risks may materially and adversely affect the value of the client's assets or profits.
- **Mutual Fund Shares:** Some of the risks of investing in mutual fund shares include: (i) the price to invest in mutual fund shares is the fund's per share net asset value (NAV) plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads), (ii) investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs, and (iii) investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.
- **Alternative Investments:** Alternative investments are financial assets that do not fall into conventional asset categories, like stocks, bonds and cash. Alternative assets allow investors to diversify their holdings and pursue returns less correlated with the stock market. Risks of alternative investments may include but are not limited to lack of regulation, lack of transparency, low liquidity, difficult to value, high minimum investments, and greater risk.
- **Direct Participation Programs and Private Investment Funds:** Direct Participation Programs, ("DPP") may be comprised of private investment funds, and other alternative investments. Private investment funds are typically illiquid or less liquid than public

market investments and, while they provide portfolio diversification, could expose a client's portfolio to greater risk than publicly investments. Private investment vehicles are varied, and each requires a careful evaluation of the specific structure of the fund, management team's experience, and operational risks. Private investments are only appropriate for the portion of a client's portfolio that has no near-term need for liquidity and can risk loss of the entire investment. Other risks associated with these investments are detailed in the private offering memorandum for the relevant fund, which risks clients are strongly urged to review.

- **Options:** Investments in option contracts are not guaranteed. Options should be considered riskier than stocks, bonds or cash. You should familiarize yourself with the type of option (i.e., put or call) and strategy your advisor is contemplating. Transactions in options carry a high degree of risk. Buying an option is subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time. If the purchased options expire worthless, you will suffer a total loss of your investment, which will consist of the option premium plus transaction costs. 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 be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is "covered" by the seller holding a corresponding position in the underlying interest or a future or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.
- **Private Placements:** Private placements carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.
- **Real Estate Related Securities:** Investing in real estate related securities includes, among others, the following risks: possible declines in the value of real estate; risks related to general and local economic conditions, including increases in the rate of inflation; possible lack of availability of mortgage funds; overbuilding; extending vacancies of properties; increases in competition, property taxes and operating expenses; changes in zoning laws; costs resulting from cleanup of, and liability to third parties for damages resulting from environmental problems; casualty or condemnation losses; uninsured damages from floods, earth quakes or other natural disasters; limitations on and variations in rents; and changes in interest rates. Investing in Real Estate Investment Trusts ("REITs") involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REITs are dependent upon management skills, are not diversified, and are subject to heavy cash flow dependency, default by borrowers and self-liquidation.
- **Structured Notes:** Structured Notes are a debt obligation that is issued by a financial institution that also contains an embedded derivative component that adjusts the security's risk-return profile. The return performance of a structured note will track both the

underlying debt obligation and the derivative embedded within it. Its return is based on equity indexes, a single equity, a basket of equities, interest rates, commodities, or foreign currencies. The performance of a structured note is linked to the return on an underlying asset, group of assets, or index. As structured notes are both a debt instrument and a derivative instrument, they are complex and carry risks that are different from other securities. Some structured notes have principal protection and others do not. For the ones that don't, it is possible to lose some or all of the principal. That can happen with equity prices, interest rates, commodity prices, and foreign exchange rates. Lack of liquidity is a risk for holders of structured notes. Investors who are looking at a structured note should expect to hold the instrument to its maturity date. Structured notes also suffer from higher default risk than their underlying debt obligations and derivatives. If the issuer of the note defaults, the entire value of the investment could be lost. Important risks that can affect structured notes include: a change in economic conditions, fraud by the issuer, currency fluctuations, market fluctuations, default, lack of liquidity, call risk and risks associated with underlying derivatives.

- **Oil and Gas Investments and MLPs**: Investing in oil and gas interests, whether directly or as part of a fund/ETF/Master Limited Partnership (“MLP”), involves distinct risks. The price of oil and gas interests may fluctuate to a greater degree than other securities and contain additional risks based on the supply and demand for oil and gas. Some of these additional risks include the ability to obtain reliable oil and gas supply, oil and gas reserve estimates, the ability to locate markets for oil and gas, fluctuations in prices, and regulatory risks. The values of oil and gas interests are subject to market risk by a range of variables that could cause trends to differ materially.
- **Emerging and Frontier Markets Investments:** Emerging markets and frontier markets involve heightened risks relative to other sectors of the market, as well as increased volatility and lower trading volume. Investments in smaller companies typically exhibit higher volatility. Narrowly focused investments typically exhibit higher volatility.
- **Cryptocurrency:** Cryptocurrency is a digital representation of value that functions as a medium of exchange, a unit of account, or a store of value, but it does not have legal tender status. Cryptocurrencies are sometimes exchanged for U.S. dollars or other world currencies, but they are not generally backed or supported by any government or central bank. They are more volatile than traditional currencies. Their value is speculative, given that they are not currently, widely accepted as a medium or exchange, is derived by market forces of supply and demand, and may be impacted by the continued willingness of market participants to exchange fiat currency for cryptocurrency. Cryptocurrencies are not covered by either FDIC or SIPC insurance. Bitcoin, Ethereum and other cryptocurrencies are very speculative investments and involve a high degree of risk. An investment in cryptocurrency is not suitable for all investors, and may not generally be appropriate, particularly with funds drawn from retirement savings, student loans, mortgages, emergency funds, or funds set aside for other purposes. Investors must have the financial ability, sophistication/experience and willingness to bear the risks of an investment, and a potential total loss of their investment. An investment in cryptocurrency should be discretionary capital set aside strictly for speculative purposes. Fees and expenses associated with a cryptocurrency investment may be substantial.

While this information provides a synopsis of the events that may affect a client's investments, this listing is not exhaustive. Clients should understand that there are inherent risks associated with investing and depending on the risk occurrence; clients may suffer loss of all or part of the client's principal investment. Although Reshape's methods of analysis and investment strategies do not present any significant or unusual risks, all investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. **Investing in securities involves risk of loss that clients should be prepared to bear.**

## Item 9: Disciplinary Information

Neither Reshape nor any of its management persons have any legal or disciplinary events to disclose.

## Item 10: Other Financial Industry Activities And Affiliations

We are required to disclose when Reshape, our representatives or any of our employees has any material conflicts of interests. Any known and potential material conflicts of interest are reasonably disclosed in this Brochure.

### A. financial industry activities

Reshape is not a registered broker-dealer and does not have an application pending to register as a broker-dealer. Furthermore, Reshape's management persons are not registered as and do not have an application pending to register as a registered representative of a broker-dealer.

### B. financial industry affiliations

Reshape is not a registered Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor and does not have an application pending to register as such. Furthermore, Reshape's management persons are not registered as and do not have an application pending to register as an associated person of the foregoing entities.

### C. other material relationships

*Insurance*

Reshape's Investment Advisor Representatives act as agents appointed with various life, disability or other insurance companies, and receive commissions, trails, or other compensation from the respective product sponsors and/or because of effecting insurance transactions for clients. In some cases, clients will be referred to an unaffiliated insurance agent and Reshape's representatives will receive a portion of the commissions, trails or other compensation received by such agent (which does not change any fee that the client pays). You should be aware that Reshape's Investment Advisor Representatives acting as agents in these situations presents a conflict of interest because individuals providing investment advice on behalf of Reshape who are also insurance agents have an incentive to recommend products to you for the purpose of generating commissions, rather than solely based on your needs. Reshape addresses this conflict by disclosing the material facts concerning the above arrangements to our clients in this Brochure and noting Reshape clients are under no obligation to purchase any insurance products through any individual affiliated with an insurance entity.

## Item 11: Code Of Ethics, Participation Or Interest In Client Transactions And Personal Trading

### A. description of code of ethics

An investment adviser is considered a fiduciary and has a fiduciary duty to all clients. In view of this and applicable provisions of relevant law including 204A-1 of the Advisers Act, Reshape has adopted a Code of Ethics in its Employee Policies and Procedures Manual to specify and prohibit certain types of transactions deemed to create conflicts of interest (or the potential for or the appearance of such conflicts), and to establish reporting requirements and enforcement procedures relating to personal trading by Reshape personnel. Reshape's Code of Ethics deals with professional standards, insider trading, personal trading, gifts and entertainment, and fiduciary duties, establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Reshape's Code of Ethics requires that Reshape always puts the client's interests first and, when conflicts cannot be eliminated, disclose material conflicts of interest to you. Your advisor must always act in your best interest and should only recommend investment products, strategies, or services that he/she believes are in your best interest. Your advisor is not required to utilize investment strategies, investment products or securities that directly or indirectly benefit Reshape or its related persons. You should always discuss any questions or concerns related to specific recommendations you receive with your advisor.

Clients can elect to exclude any fund, security or investment strategy from their portfolio where a material conflict of interest exists. When a client elects to do so, performance of an account can differ from the performance of other accounts without such an exclusion. To the extent a client holds a fund or security in an existing account at the time of making the election to exclude, there can be tax consequences as a result. Clients should consult their own tax advisors before making such an election.

### B. participation or interest in client transactions

Reshape does not recommend or effect transactions in securities in which any related person may have material financial interest.

### C. proprietary/simultaneous trading

At times, Reshape or its affiliated persons may buy or sell securities for its own accounts that it has also recommended to clients. However, any purchase or sale of a security by Reshape or a related person will be subject to Reshape's fiduciary duty to client accounts. From time to time, representatives of Reshape may buy or sell securities for themselves at or around the same time as Reshape's client accounts. In any instance where similar securities are bought or sold, Reshape will uphold its fiduciary duty by always transacting on behalf of the client before transacting for its own benefit. Reshape will always document any transactions that could be construed as conflicts of interest. To mitigate or remedy any conflicts of interest or perceived conflicts of interest, Reshape will monitor its proprietary and personal trading reports for adherence to its Code of Ethics.

## ITEM 12: Brokerage Practices

### A. Selection and Recommendation

Reshape seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that, overall, are most advantageous when compared to other available providers and their services. While Reshape recommends that Clients use Charles Schwab & Company ("Schwab") or Fidelity Investments, Inc. ("Fidelity"), along with various retirement plan custodians—Clients are free to use their preferred qualified custodian. Clients will open their investment account by entering into an account agreement directly with the qualified custodian. Reshape does not open accounts for Clients, although it can help clients do so with the respective company selected to take custody of their assets.

Reshape considers a wide range of factors in selecting a custodian/broker including, among others, the following:

- ✔ Timeliness of execution
- ✔ Clearance and settlement capabilities
- ✔ Ability to place trades in difficult market environments
- ✔ Timeliness and accuracy of trade confirmations
- ✔ Quality of account statements
- ✔ Research, execution facilitation, record keeping, custody and other "value-added" services provided
- ✔ Frequency and correction of trading errors
- ✔ Financial condition and willingness to commit capital
- ✔ Business reputation and integrity
- ✔ Reshape's prior experience with the custodian/broker

Custodians will hold client assets in a brokerage account and buy and sell securities only when Reshape or the client instructs them to.
Custodian recommendations are based on the client's account size, investment objectives, trading frequency and overall portfolio strategy. Reshape has determined that having Schwab execute trades is consistent with our duty to seek "best execution" of client trades.

## B. Research and Other Soft Dollar Benefits

Reshape does not receive "soft dollars."

Under "soft dollar" arrangements, one or more of the brokerage firms would provide or pay the costs of certain services, equipment, or other items. These soft dollar benefits are attributed to the investment advisor by reducing its expenses; however, the amount of the fee paid to the investment advisor by the client would not be reduced. Making allocations to brokerage businesses with soft dollar arrangements could enhance the ability to obtain research, optimal execution, and other benefits on behalf of clients.

## C. Brokerage for Client Referrals

Reshape does not select or recommend custodian/broker based upon receiving client referrals from a custodian/broker or third party.

## D. Directed Brokerage

Reshape does not routinely recommend, request or require that you direct us to execute transactions through a specified custodian/broker.

## E. Order Aggregation

Transactions for each client will be affected independently unless Reshape decides to purchase or sell the same securities for several clients at approximately the same time. Aggregating sale and purchase orders of securities ("block trading") for advisory accounts with similar orders is done to obtain the best pricing averages and minimize trading costs. This practice is reasonably likely to result in administrative convenience or an overall economic benefit to the client. Clients also benefit relatively from better purchase or sale execution prices, lower commission expenses or beneficial timing of transactions or a combination of these and other factors. Aggregate orders will be allocated to client accounts in a systematic non-preferential manner. Reshape may aggregate or "bunch" transactions for a client's account with those of other clients to obtain the best execution under the circumstances.

## F. Trade Error Policy

Reshape has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in the best interest of our clients. In cases where a client causes a trading error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trading error, the client may not be able to receive any gains generated because of the error correction. In all situations where the client does not cause the trading error, the client will be made whole, and Reshape will absorb any loss resulting from the trading error if the error was caused by our firm. If the error is caused by the custodian/broker, the custodian/broker will be responsible for covering all trade error costs.

## Item 13: Review Of Accounts

### A. periodic reviews

Reshape will review client accounts and/or financial and consulting plans at least annually to monitor various items, such as asset allocations and security selection. The reviews also consist of determining whether a client's investment goals and objectives are aligned with Reshape's investment strategies. Clients can consult with their advisor about their accounts, financial situation and investment needs at any time by contacting their advisor during business hours. You may trigger a review at any time by requesting a review of your accounts.

### B. intermittent review factors

Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or changes in the client's financial status (such as retirement, termination of employment, relocation, inheritance, etc.). Clients are advised to notify Reshape promptly if there are any material changes in their financial situation, investment objectives, or if they wish to place restrictions on their account.

### C. reports

Clients may receive confirmations of purchases and sales in their accounts and will receive, at least quarterly, statements containing account information such as account value, transactions, and other relevant information. Confirmations and statements are prepared and delivered by the client's custodian.

## Item 14: Client Referrals And Other Compensation

### A. economic benefits from others

Reshape has promoter agreements with and may refer clients to certain unaffiliated investment advisors. These agreements allow Reshape to receive a portion of the fees charged by that advisor. This does not change the fee that the client pays for that advisor's services.  Reshape clients referred to an advisor under a referral arrangement will be informed of this relationship and must receive disclosures containing the terms of the promoter relationship at the time the recommendation is made.

### B. Compensation to Unaffiliated Third Parties

Reshape has promoter agreements with and will receive client referrals from certain unaffiliated parties in exchange for compensation from Reshape. All such referral activities will be conducted in accordance with Rule 206(4)-1 under the Advisers Act. This does not change the fee that the client pays for that advisor's services. The compensation paid to a promoter creates an incentive for the promoter to refer clients to us, which is a conflict of interest for the promoter. Accordingly, referred clients will receive disclosure of whether the promoter is a client or a non-client; that the promoter will be compensated for the referral; the material conflicts of interest arising from the relationship and/or compensation arrangement; and the material terms of the compensation arrangement, including a description of the compensation to be provided for the referral.

## Item 15: Custody

### A. Custodian of Assets

Custody means holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them.

"Qualified custodians" include types of financial institutions such as banks, broker-dealers, futures commission merchant or any other entity that maintains client securities and funds that clients and advisers use for custodial services.

Reshape is defined as having custody due to its authority to deduct investment management fees from client accounts. However, Reshape will not maintain physical possession of client funds and securities and is not acting as the qualified custodian. Rather, the client's funds and securities are held by a qualified custodian in accounts that are registered in the client's name at an independent, non-affiliated custodian. Reshape will require clients to provide authorization prior to transferring funds from client accounts. Please see Item 12 for additional information on our preferred, qualified custodians.

Clients are encouraged to raise any questions with us about the custody, safety, or security of their assets and our custodial recommendations.

### B. Account Statements

Although Reshape is the client's adviser, the client's statements will be mailed or made available electronically by the broker-dealer or custodian. When the client receives these statements, they should be reviewed carefully. Clients should compare asset values, holdings, and fees on the statement to that in the account statement issued the previous period. Because the custodian does not calculate the amount of fees to be deducted, it is important for clients to carefully review statements to verify the accuracy of the calculations of fees, among other things.

## Item 16: Investment Discretion

It is Reshape's customary procedure to have full discretionary authority to supervise and direct the investments of a client's accounts. Clients grant this authority upon execution of Reshape's IAA. This authority is for making and implementing investment decisions, without the client's prior consultation. All investment decisions are made in accordance with the client's stated investment objectives. In the event that a client wishes to have their accounts managed on a non-discretionary basis, this will be specified in their IAA.

Other than management fees due to Reshape, which Reshape will receive directly from the custodian, Reshape's discretionary authority does not give authority to take or have possession of any assets in the client's account or to direct delivery of any securities or payment of any funds held in the account to Reshape. Furthermore, Reshape's discretionary authority by agreement does not allow it to direct the disposition of such securities or funds to anyone except the account owner.

While it is customary for Reshape to maintain discretionary authority, certain recommendations for the purchase of products (like direct participation programs) are provided on a non-discretionary basis. Certain investments, such as DPPs, require the client's prior authorization to purchase

## Item 17: Voting Client Securities

Reshape will not vote proxies which are solicited for securities held in client accounts. Reshape will not be required to render any advice with respect to the voting of proxies solicited by or with respect to the issuers of securities in which assets of the client's account will be invested in occasionally. Furthermore, Reshape will not take any action or render any advice with respect to any securities held in any client's accounts that are named in or subject to class action lawsuits. Reshape will however, forward to the client any information received by Reshape regarding class action legal matters involving any security held in the client's account.

## Item 18: Financial Information

### A. financial condition

Reshape does not have any financial impairment that would preclude the Firm from meeting contractual commitments to clients.

### B. bankruptcy petition

Reshape has not been the subject of a bankruptcy petition at any time during the last 10 years.