



Octo Capital, LLC  
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[www.octo-capital.com](http://www.octo-capital.com)

## Form ADV Part 2A Disclosure Brochure.

February 2, 2026

### Item 1 - Cover Page

This brochure provides information about Octo Capital, LLC's qualifications and business practices. Octo Capital, LLC is an SEC-Registered Investment Adviser. Being registered as a registered investment adviser does not imply a certain level of skill or training. 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. If you have any questions about the contents of this brochure, please contact Daniel Shub at 248-731-7729 or by email at [dshub@octo-capital.com](mailto:dshub@octo-capital.com).

Additional information about Octo Capital, LLC (Firm CRD #174351, SEC #801-131442) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## Item 2 - Material Changes

This Item provides a summary of any material changes made to this Brochure that reflect changes in our business practices, regulations, and routine annual updates as required by the securities regulators.

Octo Capital, LLC may update this brochure at any time and either send clients a copy or offer to send a copy (by electronic means, such as email or the client portal, or in hard copy form). Pursuant to rules and regulations, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year.

Since the last update to this Brochure on February 11, 2025, we have had no material changes. However, please note that we have updated the assets under management information in item 4 in accordance with our annual update requirement and updated the description of Exchange-Traded Funds in item 8.

At any time, you may also view a current Brochure for Octo Capital on the SEC's public website at <https://adviserinfo.sec.gov/>. Alternatively, you can always request a copy of the most recent Brochure free of charge by contacting us at:

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## Item 4- Advisory Business

Octo Capital, LLC (“Advisor” / “Octo Capital”) was founded in June 2013. It became registered as a Michigan investment adviser and began offering investment advisory services in January 2015. In November 2024, it was subsequently registered with the U.S. Securities and Exchange Commission (SEC). Daniel B. Shub, Managing Member and Chief Compliance Officer, is Octo Capital’s principal owner and sole Member and Manager of Octo Capital, LLC.

### **Assets Under Management**

As of December 31, 2025, Octo Capital had \$162,167,767 in discretionary assets under management and \$2,783,486 in non-discretionary assets under management, for a total of \$164,951,253.

### **Advisory Services**

Octo Capital has a fiduciary duty to its clients and provides ongoing investment advisory, portfolio management, financial planning, and consulting services to individuals, families, and ERISA retirement plans.

### **Discretionary Investment Advisory and Portfolio Management**

Discretionary investment advisory and portfolio management, provided under Octo Capital’s Investment Advisory Agreement, include initially reviewing clients’ existing investment portfolios and other data, developing an investment policy statement, building portfolio recommendations consistent with clients’ stated financial objectives, and implementing these recommendations at a third-party custodian (Schwab).

Discretionary investment advisory and portfolio management also include ongoing portfolio monitoring, asset allocation analysis, rebalancing, tax-loss harvesting recommendations, and, to the extent specifically requested by the client, financial planning and consulting services.

We manage your account(s) on a discretionary basis, which means you give us the authority to purchase or sell securities for your account(s) at our discretion as outlined in your written Investment Policy Statement (“IPS”). The IPS and your financial profile are discussed regularly with you, which does not necessarily result in a written document. The IPS will be updated from time to time upon your request, or when we determine it necessary or advisable based on changes to your financial or other circumstances.

Investment recommendations are primarily limited to open-end mutual funds and exchange-traded funds, but we also help clients with existing individual stock positions or assist with purchases upon client request. We do not advise clients to invest in individual stocks or borrow against assets.

All client portfolios are customized and built for each relationship, although many clients will hold similar securities and allocations. The portfolio construction process begins with discussing the client's goals and risk tolerance to determine a suitable long-term investment portfolio. We do not participate

in wrap-fee programs, and investment management fees are not tied to a client's portfolio performance.

### **Initial and Ongoing Financial Planning and Consulting Services**

Financial planning and consulting services include retirement income planning, cash flow planning, tax planning, education funding planning, stock compensation planning, insurance needs analysis, multi-generational financial planning, philanthropic planning, and collaboration with your CPA and estate planning professionals as necessary. Financial planning and consulting services are not offered as standalone services; they are available only in conjunction with ongoing discretionary investment advisory and portfolio management services.

### **Types of Investments**

Octo Capital will create and manage your investment account(s) using diversified mutual funds and ETFs (Exchange Traded Funds). We may use model portfolios if one matches your financial goals and investment objectives; otherwise, we may customize a model to align with your goals and objectives. Most mutual funds and exchange-traded funds are available directly to the public. Thus, a prospective client can obtain many of the funds that Octo Capital may use without engaging Octo Capital as an investment advisor. However, if a prospective client determines to do so, they will not receive Octo Capital's initial and ongoing investment advisory services. Octo Capital also uses mutual funds advised by Dimensional Fund Advisors ("DFA"). DFA mutual funds are generally only available through registered investment advisers approved by DFA. If a client terminates Octo Capital's services, restrictions regarding additional purchases of or reallocation, among other DFA funds, can apply. In addition to Octo Capital's investment advisory fee described below and transaction and/or custodial fees discussed above, clients will also incur charges imposed at the fund level (e.g., management fees and other fund expenses) relative to all mutual fund and exchange-traded fund purchases.

The firm does not sell commissioned products. The firm's managing member is affiliated with entities that can assist with purchasing insurance products; this creates a conflict of interest.

### **ERISA Accounts**

Octo Capital hereby acknowledges that it is a "fiduciary" when the firm's services are subject to the provisions of ERISA of 1974, as amended.

### **Retirement Plan Rollovers**

No Obligation / Potential for Conflict of Interest. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the Member's age, result in adverse tax consequences). If Octo Capital recommends that a client roll over their retirement plan assets into an account to be managed by Octo Capital, such a recommendation creates a conflict of interest if Octo Capital earns new (or increases its current) compensation as a

result of the rollover. If Octo Capital provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), Octo Capital is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. No client is under any obligation to roll over retirement plan assets to an account managed by Octo Capital, whether it is from an employer's plan or an existing IRA. Octo Capital's Chief Compliance Officer, Daniel Shub, is available to address any questions a client or prospective client may have regarding the potential conflict of interest presented by such a rollover recommendation.

## **Newsletters**

Octo Capital may send clients newsletters via email. The newsletters are educational and informational; they do not provide recommendations or personalized investment advice. They are provided free of charge.

## **Limitations by Custodian**

We require you to establish your investment account(s) with Schwab Advisor Services, a division of Charles Schwab & Co., Inc. ("Schwab"). Schwab is a registered broker-dealer, Member FINRA/SIPC. Schwab is a qualified custodian for Octo Capital client accounts. Octo Capital may be limited to the investment securities available to transact through Schwab.

## **Wrap Fee Programs**

We do not offer or manage your account(s) as part of a wrap or bundled fee program.

## **No Legal or Tax Advice**

We are not an accounting firm nor a legal firm, and any information pertaining to accounting or legal issues should not be interpreted as accounting, tax advice, or legal advice. You should seek the counsel of a qualified accountant, CPA, and/or attorney when necessary or appropriate for legal and/or tax advice. Tax planning provided by Octo Capital is general in nature and is not the same as tax advice. We do not offer tax preparation services. The tax planning estimates prepared in conjunction with the financial planning services are designed to review and examine the potential outcomes of implementing various strategies and must be verified and confirmed by a qualified tax professional before implementation.

## **Limitations of Planning and Non-investment Consulting/Implementation Services**

To the extent requested by the client, Octo Capital will generally provide financial planning and related consulting services. These services are included in the advisory fee specified in the investment advisory agreement. Octo Capital believes that it is important for the client to address financial planning issues on an ongoing basis. Octo Capital's advisory fee will remain the same regardless of whether or not the client determines to address financial planning issues with Octo Capital. Financial planning and consulting services are offered only as part of the investment advisory and portfolio management

services. We do not provide financial planning and consulting services as a stand-alone, project-based service.

### **Cash Positions**

Octo Capital continues to treat cash as an asset class. As such, unless determined to the contrary by Octo Capital, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Octo Capital's advisory fee, where it is applied as a percentage of assets under management instead of the flat fee arrangement. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Octo Capital may maintain cash positions for defensive purposes. In addition, each managed account has approximately one to two percent of the account value allocated to cash at all times. While assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Octo Capital's advisory fee could exceed the interest paid by the client's money market fund.

### **Advisory Agreement**

Both parties may terminate advisory services with 30 days' written notice. The client may not assign the advisory agreement without Octo Capital's written consent. Octo Capital may not assign or delegate all or a portion of its rights, obligations, or liabilities under this Agreement without the Client's consent. Written consent is not required. Negative/passive consent to the assignment will be considered valid as long as the Client is given at least 30 days' notice, which will be considered sufficient time to object.

### **Comprehensive Reporting and Financial Planning Services Account Aggregation**

Octo Capital may provide clients access to the "Client Portal" and "Financial Planning Portal," which offer periodic comprehensive reporting and financial planning services. It can incorporate all of the client's investment assets, including those investment assets that are not part of the assets managed by Octo Capital (the "Excluded Assets" or "Held-Away Assets"). The client and/or the client's other advisors that maintain trading authority, and not Octo Capital, shall be exclusively responsible for the investment performance of the Excluded Assets. Unless otherwise specifically agreed to in writing, Octo Capital's service relative to the Excluded Assets is limited to reporting only. The sole exception to the above shall be if Octo Capital is specifically engaged to monitor and/or allocate the assets within the client's 401(k) account maintained away at the custodian directed by the client's employer. As such, except with respect to the client's 401(k) account (if applicable), Octo Capital does not maintain any trading authority for the Excluded Assets. Instead, the client and/or the client's designated other investment professional(s) maintain supervision, monitoring, and trading authority for the Excluded Assets. If Octo Capital were asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and Octo Capital shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event the client desires Octo Capital to provide investment management services for the Excluded Assets, the client may engage Octo Capital to do so pursuant to the terms and conditions of the Investment Advisory Agreement between Octo Capital and the client. In addition, Octo Capital shall not be held responsible for any adverse results a client may experience if the client engages in financial

planning or other functions available on the Financial Planning platform without Octo Capital's assistance or oversight.

## **Other Assets**

A client's account(s) may hold securities purchased at the client's request or acquired before the client engaged with Octo Capital. There may be other securities owned by the client for which Octo Capital does not maintain custodian access and/or trading authority. Generally (with potential exceptions), Octo Capital does not/would not recommend nor follow such securities, and absent mitigating tax consequences or client direction to the contrary, would prefer to liquidate such securities. Contrary to those investment assets that Octo Capital manages for the client, Octo Capital does not monitor such securities on an ongoing and continuous basis. However, Octo Capital (1) shall consider these securities as part of the client's overall financial plan and asset allocation, (2) may include such securities on the client's performance reports, and (3) may include the market value of all such securities for purposes of calculating its advisory fee pursuant to the Advisory Agreement. Please also note: If/when liquidated, it should not be assumed that the replacement securities purchased by Octo Capital will outperform the liquidated positions. To the contrary, different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Octo Capital) will be profitable or equal any specific performance level(s).

In addition, clients may have "self-directed" accounts with Octo Capital. "Self-directed" accounts are defined as accounts where the client maintains trading authority and performs securities trading at their discretion. The client trading in the "self-directed" account, and not Octo Capital, shall be exclusively responsible for the account's investment performance or suitability of those investments. Octo Capital does not supervise the investments in these accounts, nor do we assess their suitability. Octo Capital may report performance as part of the Client Portal offering, which does not mean Octo Capital is responsible for the account. In addition, Octo Capital may be listed on the custodian statement as an advisor; this does not automatically imply that Octo Capital is responsible for monitoring, advising, or any adverse results a client may experience with the self-directed account.

## **Cybersecurity Risk**

The information technology systems and networks that Octo Capital and its third-party service providers use to provide services to Octo Capital's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Octo Capital's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Octo Capital are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including, for example, financial losses, cost, and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Octo Capital has established systems to reduce the risk of cybersecurity incidents, there is no guarantee these efforts will always be successful, especially given that Octo Capital does not directly control the cybersecurity measures and policies of third-party service providers. Clients could incur similar adverse consequences from cybersecurity incidents that more directly affect issuers of securities in which they



invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchanges and other financial market operators, or other financial institutions.

### **Client Obligations**

In performing its services, Octo Capital will not be required to verify any information received from the client or the client's other designated professionals and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify Octo Capital if there is ever any change in their financial situation or investment objective(s) for the purpose of reviewing, evaluating, or revising Octo Capital's previous recommendations and/or services.

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

Our advice-centric business model drives our compensation philosophy. This is an important distinction when comparing to firms that follow an asset-centric or asset-gathering model.

Octo Capital is compensated only by the fees paid by its clients. Octo Capital is not affiliated with a broker/dealer and, as such, does not carry the licenses necessary to receive securities commissions.

We charge a fixed fee for a combined Investment and Financial Advisory service. A percentage of portfolio size does not apply. The fee is negotiated individually and generally ranges from \$4,000 to \$12,000 per year, depending on the scope of services, complexity, time required, number and type of accounts, number of objectives, number of individuals, ongoing administrative needs, and other miscellaneous requirements. Annual fees are prorated and paid quarterly in advance.

In addition, we may offer the advisory fee based on a percentage of assets under management ("AUM") instead of a flat fixed fee, equal to 1.00% – 1.25% per annum, in situations where a flat fixed fee may not be appropriate (e.g., the minimum fixed fee exceeds 1.25% of assets to be managed).

We may charge more or less for engagements as deemed appropriate. Many long-term clients pay lower fees than the current standard rates. Clients who hired Octo Capital before adopting the current fee schedule are billed an advisory fee based on the fee schedule reflected in their Investment Advisory Agreements.

We may change fees in response to operational efficiency and to maintain quality client service, or if material changes occur in the client's total investable wealth and/or complexity of the situation, and, therefore, the services provided. Any increase or decrease in the fee requires 30 days' prior written notice to you.

For the initial billing period, the fee is prorated for the remainder of the quarter (if services commenced mid-quarter). Should a client terminate the relationship with Octo Capital, the unearned portion of the fee will be refunded. Clients terminating their contract with Octo Capital within the first five days are entitled to a full refund.

Clients may elect to pay this fee directly or have it deducted quarterly from their investment accounts. The Custodian will deduct the fee for the Account upon receipt of the invoice or shortly thereafter.

Octo Capital's negotiable annual advisory fee is subject to the terms and conditions of the Investment Advisory Agreement and will depend on various factors. As a result of these factors, similarly situated clients could pay different fees. Moreover, the services Octo Capital provides to any client may be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

Octo Capital does not provide Financial Planning and Consulting Services on a stand-alone project-based basis. Financial Planning and Consulting Services are included for clients hiring Octo Capital for ongoing Investment and Financial Advisory services. Services include, but are not limited to, a thorough review of all applicable topics, including Retirement, Cash Flow Analysis, Estate Planning, Investments, Tax Planning, and Insurance.

### **Other Fees and Expenses**

All fees paid to Octo Capital are separate and distinct from the fees and expenses charged by mutual funds and ETFs to shareholders or any transaction fees charged by the custodian(s). Mutual fund and ETF expenses are described in each fund's prospectus. These expenses will generally include the mutual fund and/or ETF management fee and other fund expenses.

Clients may incur fees from the custodian selected to provide record-keeping, tax reporting, and statement production services. These fees may include annual IRA and retirement account fees, nominal trade ticket charges, and banking fees. No portion of these fees is retained by or remitted to Octo Capital.

## **Item 6 - Performance-Based Fees**

Octo Capital does not charge performance-based fees (fees based on a share of capital gains or capital appreciation of your assets).

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

Octo Capital offers advisory services to various clients, including individuals, high-net-worth individuals, trusts, foundations, estates, business entities, qualified retirement plan sponsors, and charitable organizations.

We do not require a minimum to open an account. However, we may review the situation on an individual basis to ensure we can provide services in the client's best interest.

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

### **Methods of Analysis, Investment Strategy, and Risk of Loss**

Octo Capital's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. Octo Capital's investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions rather than market timing or stock picking. Octo Capital recommends diversified portfolios, primarily through asset-class mutual funds and exchange-traded funds (ETFs). Octo Capital selects or recommends to clients' portfolios of securities, principally broadly traded open-end mutual funds, ETFs, or conservative fixed-income securities, to implement this investment strategy.

As with any stock-based investment, mutual funds, including passively managed mutual funds, carry the risk of losses. There is no guarantee that an investment strategy will meet its objectives or avoid losses. Past performance may not be indicative of future results. While we can reduce company-specific risk through diversification, eliminate manager risk with passive portfolios, and reduce overall portfolio volatility with a broad mix of stocks, bonds, and other assets, we cannot eliminate the risk of fluctuation that comes with investing in stocks and bonds. In any given week, month, or year, it is possible that an investor's portfolio value could be less than the previous period. The Efficient Market Hypothesis dictates that this market risk offers investors potential long-term rewards, so we aim to reduce other previously mentioned risks wherever possible.

**Market Risk** - The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors (such as economic or political factors) or by a security's specific underlying investments. Additionally, each security's price can fluctuate based on market movements, which may or may not reflect the security's operations or changes in its intrinsic value. For example, political, economic, and social conditions may trigger market events that are temporarily negative or temporarily positive.

**Unsystematic Risk** - Unsystematic risk is the company-specific or industry-specific risk in a portfolio that the investor bears. Unsystematic risk is typically addressed through diversification. However, as indicated above, diversification does not guarantee better performance and cannot eliminate the risk of investment losses.

**Value Investment Risk** - Value stocks may perform differently from the market as a whole, and following a value-oriented investment strategy may cause a portfolio to underperform growth stocks.

**Growth Investment Risk** - Prices of growth stocks tend to be higher in relation to their companies' earnings and may be more sensitive to market, political, and economic developments than other stocks, making their prices more volatile.

**Small Company Risk** - Securities of small companies are often less liquid than those of large companies, which can make it challenging to sell them at a desired time or price. As a result, small company stocks

may fluctuate relatively more in price. In general, small-cap companies are more vulnerable than larger companies to adverse business or economic developments and may have more limited resources.

**Interest Rate Risk** - Fixed-income securities and fixed-income-based securities are subject to interest rate risk because the prices of fixed-income securities tend to move in the opposite direction of interest rates. When interest rates rise, prices of fixed-income securities tend to fall. When interest rates fall, fixed-income security prices tend to rise. In general, fixed-income securities with longer maturities are more sensitive to these price changes.

**Inflation Risk** - When any type of inflation is present, a dollar at present value will not carry the same purchasing power as a dollar in the future because that purchasing power erodes at the rate of inflation.

**Reinvestment Risk** - Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate), which primarily relates to fixed-income securities.

**Credit Risk** - The issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and impact performance. Credit risk is considered greater for fixed-income securities with ratings below investment grade. Fixed-income securities that are below investment grade involve higher credit risk and are considered speculative.

**Regulatory Risk** - Changes in laws and regulations from any government can change the market value of companies subject to such regulations. Certain industries are more susceptible to government regulation. For example, changes in zoning, tax structures, or laws may affect the return on investment.

**Mutual Fund Risk** - Mutual funds are operated by investment companies that raise money from shareholders and invest it in stocks, bonds, and/or other types of securities. Each fund will have a manager who trades the fund's investments in accordance with the fund's investment objective. Mutual funds charge a separate management fee for their services, so the returns on mutual funds are reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can increase significantly if a fund is concentrated in a particular market sector. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. In addition, the client's overall portfolio may be affected by losses in an underlying fund and by the level of risk arising from the investment practices of that fund (such as the use of derivatives).

**Exchange-Traded Fund Risk** - An ETF is a security that trades on an exchange during market hours and typically seeks to track an index, commodity, or a basket of assets like an index fund. However, some ETFs are actively managed and do not seek to track a certain index or basket of assets. ETFs may trade at a premium or discount to their Net Asset Value ("NAV") and may also be affected by market fluctuations of their underlying investment holdings. ETFs may also have unique risks depending on their structure and underlying investments. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to: (i) the ETF may employ an investment strategy that utilizes high leverage ratios; or (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed

from the exchange, or the activation of market-wide “circuit breakers” (which are tied to significant decreases in stock prices) halts stock trading generally.

In analyzing investment securities, Octo Capital may use various sources of information, including, but not limited to, the following: Morningstar, Portfolio Visualizer, mutual fund and ETF issuer websites, and software and/or other technology information services available from mutual fund and ETF issuers.

### **Analysis of a Client’s Financial Situation**

In developing investment plans for clients, including recommending an appropriate asset allocation, Octo Capital relies on analysis of the client’s financial objectives, current and projected resources, and risk tolerance. To derive a recommended asset allocation, Octo Capital may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other method used to make projections into the future, there are several risks associated with this method, which may result in the client being unable to achieve their financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis
- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- For taxable accounts, the risk that tax rates will be higher than was assumed in the analysis

## **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Octo Capital or the integrity of Octo Capital’s management. Octo Capital has no information applicable to this item.

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

Neither Daniel Shub nor any employees of Octo Capital are registered or applying to register as a broker-dealer or registered representative of a broker-dealer, futures commissions merchant, commodity pool operator, or commodity trading advisor.

Neither Daniel Shub nor any employee of Octo Capital has a relationship with a broker-dealer, municipal securities dealer, government securities dealer, broker, investment company, outside investment adviser, banking or thrift institution, accounting firm, law firm, pension consultant, real estate broker, sponsor, or syndicator of limited partnerships.

### **Material Relationship Maintained by this Advisory Business and Conflicts of Interest**

Daniel Shub is also a licensed Life insurance agent and owner of Shub & Company, LLC - a licensed life insurance agency under common control and ownership. He does not offer clients products from those activities other than, on rare occasions, assisting clients with a low-risk tolerance and/or clients seeking tax deferral and/or clients seeking to manage the risk of their financial plan with the following:

- Purchase or tax-free exchanges of existing annuity contracts for fee-based (no-commission) annuity contracts because of their low fees and generally better terms than commission-based products.
- Daniel Shub may assist with purchasing life insurance to mitigate risk to the client's financial plan. This creates a conflict of interest as the insurance company will pay Daniel Shub a commission, which will be fully disclosed to the client.
- Daniel Shub may assist with purchasing a fixed annuity, typically with a 3- to 5-year term, paying a fixed interest rate. This creates a conflict of interest as the insurance company will pay Daniel Shub a commission, which will be fully disclosed to the client.

This activity presents a conflict of interest; however, Octo Capital is a fiduciary to each advisory client and is obligated to ensure that insurance product recommendations are suitable based on what is known about our client.

Clients are never obligated to purchase insurance or utilize any recommended company. Clients are welcome to use their selected providers and implement recommendations in whole or in part, entirely at their discretion.

Daniel Shub also has a property and casualty insurance license and owns Gold Star Insurance Group, LLC. He does not offer products or actively engage in activities related to property and casualty insurance.

### **Recommendations or Selections of Other Investment Advisors and Conflicts of Interest**

We do not utilize or select third-party investment advisers.

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

As a Registered Investment Adviser, Octo Capital has a fiduciary duty to its clients. In the simplest of terms, this means that our first obligation is to put the client's needs above all other interests or conflicts. Octo Capital takes our fiduciary duty very seriously and has built our business model around our obligation to minimize conflicts of interest with our clients and to make recommendations that are in their best interests.

Octo Capital's owner and employees will adhere to all federal and state securities laws and regulations. All Octo Capital's related persons will be held to the highest standard of conduct and shall not withhold pertinent information from clients regarding securities recommendations, act to deceive or defraud any client or outside party, or otherwise partake in any activity with the intent to deceive or defraud any regulatory body, government office or client.

Octo Capital's owners and employees may buy or sell securities for themselves, which are also recommended to clients, which represents a conflict of interest. In an effort to avoid conflicts of interest, Octo Capital monitors and supervises the personal securities transactions of all employees and its owner.

Daniel Shub, Managing Member and Chief Compliance Officer of Octo Capital, conducts monitoring. Octo Capital retains records of all securities transactions conducted by employees and owners. For regulatory compliance, all employees and the owner are considered “access persons” and will have their transactions monitored.

As a matter of principle, Octo Capital’s owner and employees are to withhold public comment regarding advice on individual securities to avoid conflicts of interest when these comments may enrich Octo Capital’s associated person.

## Item 12 - Brokerage Practices

Octo Capital does not maintain custody of your account(s), which we manage and advise on. At all times, your investment account(s) and assets must be maintained in an account(s) at a qualified custodian. We require that you use Schwab Advisor Services®, a division of Charles Schwab & Co., Inc. (“Schwab”), a FINRA-registered broker-dealer and member SIPC, as the qualified custodian/broker-dealer for your account(s) and securities transactions. We do not allow you to direct us to use a specific broker-dealer to execute transactions. You must use the broker-dealer Octo Capital recommends, Schwab Advisor Services®.

Octo Capital is independently owned and operated and is not affiliated with any custodian, including Schwab. The custodian(s) will hold your assets in a brokerage account(s) and purchase and sell securities when we instruct them to. You will enter into a separate agreement with Schwab to have custody of your account(s) and assets through their new account applications. Octo Capital will also require that you grant us a Limited Power of Attorney (“LPOA”) to execute securities transactions in your account(s) held at Schwab.

Schwab may charge brokerage commissions (transaction fees) for executing securities transactions. We do not receive any portion of these separate fees and/or charges.

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

Octo Capital may receive an economic benefit from external sources in the form of the support products and services they make available to other independent investment advisors and us. The availability of an external source's products and services to us is not based on our offering particular investment advice, such as buying particular holdings for our clients.

Schwab provides us and you with access to its institutional brokerage, trading, custody, reporting, and related services. Schwab also makes available various support services. Some of those services help us manage or administer your account(s), while others help us manage and grow our business.

These services are not contingent upon our committing any specific amount of business to Schwab in trading commissions, transaction fees, or assets in custody.

Schwab's availability of these services benefits us because we do not have to produce or purchase them. The benefits we receive that you may also benefit from may give us an incentive to recommend that you maintain your account(s) with Schwab based on our interest in receiving Schwab's services that benefit our business, rather than based solely on your interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. We believe, however, that our recommendation of Schwab as custodian and broker-dealer is in the best interests of the clients we serve.

Our selection is primarily supported by the scope, quality, and price of Schwab's services, and not by those services that benefit only us.

### **Dimensional Fund Advisors (DFA)**

We use DFA resources to analyze investments for your account, including historical market and risk/return analyses. DFA also provides education and analytics tools, practice management support, and other resources to advisers and to us within its network. These tools are made available to us because we are considered an approved adviser on the DFA platform. While we are not required to commit any specific level of client assets to participate on the DFA platform, these services are not available to financial advisers who have less than \$20 million of their clients' assets on the DFA platform. While receiving materials from the DFA may create a conflict of interest, we mitigate this risk by evaluating and treating the available resources in the same way as those received from Schwab and other sources.

### **Referrals**

Octo Capital does not receive client referrals from any broker-dealers and does not compensate anyone who may refer a client to Octo Capital.

### **Directed Brokerage**

The Schwab custodial arrangement is a type of directed brokerage arrangement since Schwab generally requires that your transactions be placed within the broker-dealer arm of Schwab for execution. You should understand that not all investment advisers require you to use Schwab as a custodian or otherwise direct brokerage. We have selected Schwab to provide you with brokerage and custodial services because we believe they can provide you with best execution. In seeking best execution through a broker-dealer on behalf of our clients, the determinative factor is not the lowest possible cost but whether the transaction represents the best overall qualitative execution.

Accordingly, when taking into consideration qualitative execution, we consider the full range of broker-dealer services, such as historical relationship, reputation, financial strength, execution capability, commission and/or transaction rates, technology, responsiveness, customer service, and other factors. To help ensure that you are receiving best execution and to address the conflict of interest surrounding these arrangements, we perform periodic reviews of the quality of execution and services provided by Schwab in comparison to alternative similar directed brokerage options.

### **Valuation**



The reporting on our client portal will value securities in your account(s) from pricing information that we receive from Schwab and/or independent third-party pricing services.

### **Trade Order Aggregation**

Because investment decisions often affect multiple clients, we may simultaneously attempt to purchase or sell the same security for multiple clients. This practice is referred to as “block trading.” Octo Capital may determine that aggregating (or blocking) trade orders is also prudent and necessary in order to fulfill our fiduciary duty to obtain best execution for each client as set forth above.

When aggregating client trade orders, we consider many factors, including but not limited to the following:

- No client account(s), is favored over any other client account(s). Clients participating in an aggregated order shall receive an average share price.
- We will not aggregate transactions unless block trading is consistent with our duty to seek best execution and the terms of our Investment Advisory Agreement with each client for which trades are being aggregated.
- Before placing a blocked trade, we will specify the participating client account(s) and the intended allocation among those clients.
- If the aggregated order is filled in its entirety, it will be allocated among client account(s) in accordance with the terms of the order; if the order is partially filled, it will be allocated on a pro-rata basis within the same terms of the order.
- Our books and records will separately reflect the orders for each client account(s) that are aggregated, as well as the securities purchased and sold for and held by that account;
- We receive no additional compensation of any kind as a result of the proposed aggregation.

Although Octo Capital will attempt to block trades for each client when prudent, there may be times when trades are executed independently for each client. This means that at times we may not combine multiple orders for the same securities purchased or sold across multiple client accounts. There may be many reasons we may choose not to “block” certain client accounts, including cash-flow management on a client-by-client basis, the timing of interest and dividend payments, and the timing of client deposits and withdrawals.

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

### **Managed Accounts Review**

We review your account(s) and securities positions for adherence to your agreed-upon investment strategy as described in your Investment Policy Statement (IPS) on an ongoing basis and/or upon the occurrence of a triggering event - such as a change in client investment objective(s) and /or financial situation - and upon the client's request. The frequency and processes for internal portfolio reviews depend on the portfolio's nature and complexity and are at the Advisor's discretion. The IPS and your financial profile are discussed regularly with you, which does not necessarily result in a written

document. The IPS will be updated from time to time upon your request, or when we determine it necessary or advisable based on changes to your financial or other circumstances.

All investment supervisory clients are advised that it remains their responsibility to advise Octo Capital of any changes in their investment objective(s) and/or financial situation.

Periodic reviews are available with you on an “as-needed” and/or “as-requested” basis, depending upon your needs and the nature of the financial issue(s) to be addressed. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objective(s), and account performance with Octo Capital on an annual basis. Reviews conducted directly with you focus primarily on changes to your financial situation, tax status, cash flow needs, account performance, and overall investment goals and objectives.

Clients receive, at least quarterly, written transaction confirmation notices and regular written account statements from the custodian (Schwab).

### **Regular Client Reporting**

We provide access to the online Client Portal to review ongoing performance, asset allocation, and investment strategy information for your account(s) under management by Octo Capital. Every quarter, Octo Capital will upload to your Client Portal a billing invoice for Octo Capital fees agreed to in your Investment Advisory Agreement, which will be debited and paid directly from your account(s). For clients paying by check, the invoice will be mailed every quarter.

You will also receive either monthly or quarterly account statements, trade confirmations, and year-end tax statements directly from Schwab, the independent account custodian.

Octo Capital does not provide or deliver any reporting in hard copy format. All reporting is required to be accessed through the online Client Portal.

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

No one outside of Octo Capital’s owner and employees provides investment advice to Octo Capital clients (exclusive of outside relationships our clients may choose to have). Octo Capital does not compensate outside parties for client referrals. This includes existing clients and other external professionals (e.g., CPAs, attorneys). Octo Capital does not share revenue or pay “finders fees” for client referrals.

## **Item 15 - Custody**

We previously disclosed in Item 5 - Fees and Compensation that Octo Capital directly debits Octo Capital fees from your account(s). When you authorize direct payment of fees, your custodian (Schwab) is advised of the amount of the fee(s) to be deducted from your account(s).

The ability to deduct our fees from your account(s) causes Octo Capital to exercise limited custody over your funds or securities pursuant to Rule 275.206(4)-2 of the Investment Advisers Act of 1940. We do not have physical custody of any of your funds and/or securities in your account(s).

You will receive account statements from your independent qualified custodian (Schwab) no less than quarterly. Your custodian's account statements will show the amount of our fees deducted from your account(s) each billing period.

Schwab does not verify the accuracy of our fees or calculations. You should carefully review your account(s) statements for accuracy and notify us immediately if something is not accurate. If you have any questions regarding your statements or if you do not receive a statement from your custodian (Schwab), please contact us immediately by email at [dshub@octo-capital.com](mailto:dshub@octo-capital.com) or by telephone at 248-731-7729.

## Item 16 - Investment Discretion

Octo Capital requires discretionary authority over clients' investment portfolios under our management to determine which securities and the amounts of securities are to be purchased or sold in your account(s). You will need to execute a Schwab Limited Power of Attorney ("LPOA") to permit us to trade in your account(s) on your behalf. The LPOA is incorporated as part of the new account agreements required to open your account(s) with the qualified custodian (Schwab).

The client approves the custodian to be used and the commission rates paid to the custodian.

The advisor does not receive any portion of the transaction fees or commissions paid by the client to the custodian on trades.

## Item 17 - Voting Client Securities

### Proxy Voting

We do not vote proxies on your behalf. Since we do not vote proxies, you will retain the responsibility for receiving and voting proxies for any and all securities maintained in your account(s). In the event that you have instructed a custodian, broker-dealer, transfer agent, or issuer to deliver proxies to us on your behalf, we will decline to vote on such matters unless we specifically agree to do so in writing.

### Class Actions

You should note that Octo Capital does not instruct or give advice to you on whether or not to participate as a member of class action lawsuits and will not automatically file "Proof of Claims" on your behalf, even if you have instructed the custodian, broker-dealer, transfer agent, or issuer to deliver such communications directly to us. However, suppose you notify us in writing that you wish to participate in a class action. In that case, we will make reasonable efforts to provide you with any available transaction information necessary for you to file a Proof of Claim if the records exist upon your written request.

## **Other Shareholder Action**

With regard to all matters (other than proxies) for which shareholder action is required or solicited with respect to securities beneficially held in your account(s), such as (1) all matters relating to class actions, including without limitation, matters relating to opting in or opting out of a class and approval of class settlements and (2) bankruptcies or reorganizations, we disclaim responsibility for electing/voting (by proxies or otherwise). Octo Capital will not take any action with regard to such matters. All shareholder actions and/or proxies will be delivered to you directly from the custodian, broker-dealer, transfer agent, or issuer.

## **Item 18 - Financial Information**

Under certain conditions, registered investment advisers are required to provide you with financial information or disclosures about our financial condition. Octo Capital has no financial condition that would impair its ability to meet its contractual commitments to clients.

A balance sheet or financial statements are not required to be provided because Octo Capital does not serve as a custodian for client funds or securities, and does not collect prepayment of fees of more than \$1,200 per client and six months or more in advance, and has not been subject to a bankruptcy proceeding. Octo Capital maintains at all times a minimum net worth of \$10,000 as required by the Uniform Securities Act, Rule 451.4.17, as an investment adviser that has discretionary authority over client funds or securities but does not have custody of client funds or securities.