

# Dollarize, Inc.

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This disclosure brochure provides information about the qualifications and business practices of Dollarize, Inc. (“Dollarize”). If you have any questions about the contents of this disclosure brochure, please contact us via email at [help@dollarize.me](mailto:help@dollarize.me). The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Dollarize is a registered investment adviser. The registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information that you may use to determine whether to hire or retain such adviser.

Additional information about Dollarize is also available on the U.S. Securities and Exchange Commission’s (“SEC”) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using a unique identifying number, known as a CRD number. The CRD number for Dollarize is #305285. The SEC’s website also provides information about any persons affiliated with Dollarize who are registered, or are required to be registered, as investment adviser representatives of Dollarize.

## Item 2 - Material Changes

This document is the Part 2A of Form ADV: Firm Brochure (the “Brochure”) for Dollarize. Pursuant to the SEC’s requirements and rules, you will receive a summary of any material changes to this Brochure within one hundred twenty days of the close of Dollarize’s fiscal year.

The following information provides a summary of material changes that have been made to this Brochure since the last annual update filed in March 2022.

- We changed our domain name to dollarize.me.

### *Item 4 – Advisory Business*

We have added a new product offering for individual equity shares of publicly traded companies and shares of exchange traded funds (ETFs).

### *Item 5 – Fees and Compensation*

We have revised the description of the fees we charge to clients.

### *Item 7 – Types of Clients*

We have updated our minimum account value.

The following information provides a summary of material changes that have been made to this Brochure since the last other-than-annual update filed in May 2022.

### *Item 4 – Advisory Business*

We included the amount of assets under management as of August 1, 2022. We also updated the description of our services, providing additional information on the algorithm provider and model provider.

### *Item 5 – Fees and Compensation*

We updated the description of our fee schedule and further described our fee calculation, billing and collection processes.

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

We updated the description on our investment strategies, including its limitations and that the platform relies solely on the responses that clients provide through the suitability questionnaire.

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

We updated our affiliations, including a description of related conflicts of interest.

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

We revised the description related to our Code of Ethics.

*Item 12 – Brokerage Practices*

We revised the description for best execution.

*Item 13 – Review of Accounts*

We updated the description for review of accounts.

*Item 16 – Investment Discretion*

We revised the description related to our non-discretionary services and limitations of client-specific restrictions.

We made other non-material changes throughout.

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## Item 4 - Advisory Business

Additional information about Dollarize is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using a unique identifying number, known as a CRD number. The CRD number for Dollarize is #305285. The SEC's website also provides information about any persons affiliated with Dollarize who are registered, or are required to be registered, as investment adviser representatives of Dollarize.

Dollarize is a registered investment adviser that offers non-discretionary advisory services to its clients (each a "Client," and collectively, "Clients") through an online web-based and mobile application platform (the "Platform").

Dollarize is a privately held company headquartered in New York, New York and formed on June 3, 2019. Dollarize is directly owned by Investore Holding, Inc. ("Investore"), which is principally owned by Plataforma de Fondos Sapi de CV. As of August 1, 2022, Dollarize had \$24,223.35 in regulatory assets under management, managed on a non-discretionary basis, and zero regulatory assets under management, managed on a discretionary basis.

This business model, also referred to as a "robo-adviser" model, makes use of algorithms to automate (or to assist in making) investment decisions. Clients create and manage their investment accounts through a web portal or mobile application with limited, if any, human interaction.

Dollarize operates the Platform through [www.dollarize.me](http://www.dollarize.me) (the "Website") and Dollarize U.S., a mobile application ("App"). The Platform provides Clients with investment advice in the form of certain Model Portfolios consisting of exchange traded funds ("ETFs"), as well as a target asset allocation whereby the Client may select individual equity shares of publicly traded companies (commonly referred to as stocks) and ETFs ("Single Stocks" and together with Model Portfolios, "Investments"), designed to meet each Client's self-identified financial goals. The Website also provides general education and content regarding finance and markets. Advisory services are delivered solely through the Platform. Dollarize does not provide investment advice in person or over the phone or in any manner other than through the Platform. Dollarize encourages visiting the Website for additional information.

Dollarize utilizes Tifin Risk ("Tifin"), a third-party to provide the algorithms and suitability determination (via the Suitability Questionnaire) used by the Platform to automate (or to assist in making) investment decisions. The Suitability Questionnaire will include age, income and net worth, investment objectives, investment time horizon and risk tolerance. Tifin is responsible for maintaining the algorithms. However, Tifin and Dollarize do not override the algorithms to provide alternative recommendations to any particular Client, whether based on any additional criteria provided by the Client, market and/or economic conditions, or otherwise. Clients should be aware that the algorithms rely upon each Client's answers to questions provided through the Suitability Questionnaire, and that such answers serve as inputs to the algorithms.

Upon completing the Suitability Questionnaire, the Client is presented with the option to select an investment strategy using a Model Portfolio or Single Stocks. Upon selection, the Client is presented with (as applicable) the Model Portfolio or target asset allocation (whereby the Client would choose from a list of Single Stocks) that aligns with the Client's responses to the Suitability Questionnaire. The Platform currently relies solely on questions relating to suitability (i.e., age, income and net worth, investment objectives, investment time horizon, and risk tolerance) in recommending Investments, and these questions are not weighted equally. Clients should understand the recommendation of any Investment

relies upon the information provided by each Client and Dollarize does not capture any additional information not covered in the Suitability Questionnaire in making a risk assessment and providing investment advice.

Ultimately, each Client select Investments from the list of Model Portfolios or Single Stocks offered by Dollarize through the Platform.

Dollarize has engaged BlackRock (the “Model Provider”) for the construction of all Model Portfolios offered to Clients through Dollarize’s Platform. Dollarize’s Model Portfolios are designed to cover a spectrum of Clients’ investment needs. Dollarize utilizes algorithms that incorporate Model Portfolios created by the Model Provider to assist in the selection of the portfolio models that are most appropriate for the Client, based on the Client’s responses to the Suitability Questionnaire. The Model Provider and the Model Portfolios are selected, retained and/or eliminated by Dollarize in its sole discretion. Dollarize reviews each Model Provider’s background, including performance history, financial wherewithal, manager turnover, registration status, etc. Dollarize has used its best judgment to incorporate Model Portfolios designed by the Model Provider into its own Platform. Dollarize is relying on the Model Provider’s investment portfolio construction.

Single Stocks offered by Dollarize are stocks and ETFs. Stocks are limited to equity securities that are issued by companies representative of the U.S. stock market and economy, that have large market capitalization, that are highly liquid and actively traded on U.S. national stock exchanges, and that collectively represent a wide distribution of market betas when considering all of the equities securities made available. These equity securities (or stocks) are commonly referred to as large-cap stocks. The ETFs, offered as Single Stocks, are limited to those choose by Dollarize and, specifically, exclude those ETFs that are available under the Model Portfolios. Certain factors carry more weight than others in Dollarize’s final analysis and selection of a particular stocks and ETFs that it makes available to Clients through the Platform. Dollarize in its sole discretion determines whether stock and/or ETF will be added, retained, or eliminated from the Platform.

Each Client’s Investments are held in a separate account (“Investment Account”) in the name of the Client at Alpaca Securities LLC, an independent custodian (the “Custodian” or “Alpaca”), and not with Dollarize. All Investment Accounts managed through the Platform are required to use the Custodian selected by Dollarize. Each account agreement with the Custodian will grant Dollarize the authority to manage each Client’s Investment Account on a non-discretionary basis, seeking a Client’s authorization for each trade via the Platform, except for rebalancing and changes made by the Model Provider to a Model Portfolio. In those instances, Dollarize maintains limited authority to complete the rebalance as further outlined in each Client’s agreement(s).

The Model Provider advises Dollarize when there is a change in the percentage of Model Portfolio holdings. Dollarize then updates the percentages in each applicable Client accounts. Additionally, each Model Portfolio will be rebalanced on an ongoing basis, as determined by Dollarize. If a Client’s Model Portfolio Investment significantly deviates from the Model Portfolio’s target asset allocation, Dollarize will initiate a rebalancing to bring the holdings within an acceptable range of the target asset allocation. The rebalancing process is not limited to the number or frequency of rebalances and is driven by the composition of Dollarize’s decisions on the composition and holdings in the Model Portfolio. As a result, there is a possibility that Dollarize may sell overrepresented ETFs and use the proceeds to buy underrepresented ETFs to bring portfolios towards their target allocation without taking into account individual tax consequences or market circumstances. Dollarize will not engage in tax-loss harvesting trades in order to optimize the tax consequences of holding, or disposing of, certain holdings.

Dollarize does not engage in any rebalancing activities for Clients invested in Single Stocks.

## Item 5 - Fees and Compensation

As further detailed in Item 10, below, Dollarize Clients must also become customers of Dollarize's affiliate, Dollarize Financial Inc. ("Dollarize Financial"). Dollarize's fee for investment advisory services is based on the Service Level the customer (Client) selected with Dollarize Financial and is calculated as a percentage a Client's assets in the Client's Investment Account ("Annual Fee") managed by Dollarize, as set forth in the following schedule:

Services Level	Annual Fee
Basic Plan	2.00%
Premium Plan	0.50%
Advanced Plan	0.25%

For example, if the customer selected the Basic Plan for the customer's Dollarize Financial account, then the Client's Annual Fee (paid to Dollarize) would be two percent (2.00%) of assets in the Client's Dollarize Investments Account. Deposits into a Client's Investment Account are typically credited within the same day; however, some deposits may take up to forty-eight business hours. Clients may not purchase Investments until the Client's Investment Account has been fully funded.

The Annual Fee is charged monthly, in arrears, based on the market value of the average daily account balance. the fee is calculated on a pro rata basis based on the number of calendar days in the month. In the event the Client changes the Service Level at Dollarize Financial, the Annual Fee associated with the new Service Level will be charged pro rata based on the number of days under each corresponding Service Level's Annual Fee. For example, if the Client was in Dollarize Financial's Advanced Plan for fifteen (15) calendar days, then the Client changed to Dollarize Financial's Basic Plan for the rest of the month, another fifteen (15) calendar days, the client would be charged a quarter percent (0.25%) for the first fifteen (15) calendar days and two percent (2.00%) for the other fifteen (15) days.

In the event the Client terminates services or requests a withdrawal of all the assets in the Client's Investment Account, the Annual Fee for the final billing period will be prorated through the effective date of the termination, Dollarize will distribute the assets less the prorated Annual Fee amount, and the outstanding portion of the Annual Fee will be charged to the Client's Investment Account at month-end.

The issuer of the securities or products purchased for Clients, such as ETFs, may charge product fees that affect Clients. Dollarize does not charge these fees to Clients and does not benefit directly or indirectly from any such fees. An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Clients should review all fees charged to understand the total amount of fees they will pay by reviewing the issuer's prospectus or other disclosure statement.

Dollarize reserves the right to waive the Annual Fee or any part thereof for any period for any Client in Dollarize's sole discretion. To this end, Dollarize may, from time to time, elect to launch programs or initiatives whereby fees may be waived, in whole or in part, for certain categories of Clients. Any such program or initiative (i) is entirely discretionary to Dollarize, and may be expanded, narrowed, suspended,

canceled, or modified at any time by Dollarize, and (ii) will be subject to any rules, guidelines and/or terms and conditions created by Dollarize in connection therewith (which rules, guidelines and/or terms may be included on the Website and App). To the extent any such program or initiative is canceled or terminated, Clients will once again be charged the then-current fees on a going-forward basis. Dollarize shall have sole discretion in determining whether or not any existing Client or potential Client meets the requirements to participate in and/or benefit from any such program or initiative and Dollarize shall not be liable to the Client or any other party in connection with any such decision and/or in connection with the administration of any such program or initiative generally.

The Annual Fee charged to Clients will be deducted from each Client's Investment Account held at the Custodian.

## Item 6 - Performance-Based Fees and Side-by-Side Management

Performance based fees are fees based on a share of capital gains on or capital appreciation of the assets of a Client. Dollarize does not charge any performance-based fees.

## Item 7 - Types of Clients

Dollarize's Platform is intended for use by individual investors seeking to gain access to model portfolios built from ETFs and individual ETFs and large-cap stocks. These investors are seeking investment advisory services through the web portal or mobile application with limited, if any, human interaction.

Dollarize requires a minimum of \$100 to open an account. In the event an account is below the minimum, Dollarize will not rebalance Client's Investment Account based on changes to the composition of Model Portfolios or changes to the allocation of assets within Model Portfolios. Dollarize reserves the right to impose a minimum or maximum account size or value in the future at its discretion. Fees are not negotiable. Dollarize further reserves the right to require additional disclosure information from Clients with Investment Accounts in excess of \$100,000.

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

### Methods of Analysis

The Model Provider selects ETFs for the Model Portfolios based on the Model Provider's qualitative and quantitative due diligence. The ETFs selected represent an array of investment options across a broad range of investment strategies such as the following: conservative, modest, or aggressive balanced risk funds; asset classes such as small, mid, and large cap equities, fixed income, real estate, commodities, or international; and industries such as healthcare, defense, or consumer.

Dollarize offers large-cap stocks and ETFs via its platform. Dollarize in its sole discretion determines whether a single stock or ETF will be added, retained, or eliminated from the Platform. Dollarize Certain factors carry more weight than others in Dollarize's final analysis and selection of a particular stock or ETF that it makes available to Clients through the Platform. Currently, Dollarize only offers stocks that are categorized by Morningstar, Inc. as large-cap value, large-cap core or large-cap growth and ETFs that are categorized by Morningstar, Inc. as large value, large blend, or large growth. The information obtained from Morningstar, Inc. has not been independently audited or verified by Dollarize. The information was



gathered from sources deemed to be reliable; however, no assurance is made as to the accuracy of the data or information.

## Investment Strategies

As previously described, Dollarize offers non-discretionary advisory services to its Clients through an online (web-based and mobile application) Platform. This business model, also referred to as a “robo-adviser” model, makes use of algorithms to automate (or to assist in making) investment decisions. Dollarize’s Platform is intended for use by individual investors seeking to gain access to model portfolios built from ETFs and individual ETFs and large-cap stocks.

The Platform currently relies solely on questions relating to suitability (i.e., age, income and net worth, investment objectives, investment time horizon, and risk tolerance) in recommending Investments, and these questions are not weighted equally. Clients should understand the recommendation of any Investment relies upon the information provided by each Client and Dollarize does not capture any additional information not covered in the Suitability Questionnaire in making a risk assessment and providing investment advice.

Advisory services are delivered solely through the Platform with limited, if any, human interaction. Dollarize does not provide investment advice in person or over the phone or in any manner other than through the Platform. Each Client is responsible for overseeing the Client’s Investment Account through Platform.

## Risk of Loss

Dollarize does not guarantee the future performance of any Investment Account. Clients must understand that investments made via the Platform involve substantial risk and are subject to various market, currency, economic, political, and business risks, and that those investment decisions and actions will not always be profitable. Clients may not get back the amount invested. Subject to the Advisers Act, Dollarize shall have no liability for any losses in a Client’s account. The price of any security or the value of an entire asset class can decline for a variety of reasons outside of Dollarize’s control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events. There is no guarantee that Dollarize’s judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. Dollarize’s judgment may prove to be incorrect, and a Client might not achieve the intended investment objectives. High volatility and/or the lack of deep and active liquid markets for a security may prevent a Client from selling securities at all, or at an advantageous time or price because Dollarize and the Client’s broker may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. The Platform, by its automated nature, limits excessive trading risk, although human programming error may result in excessive trading. Dollarize cannot guarantee any level of performance or that any Client will avoid a loss of Investment Account assets. Any investment in securities involves the possibility of financial loss that Clients should be prepared to bear.

When evaluating risk, financial loss may be viewed differently by each Client and may depend on many different risk items, each of which may affect the probability of adverse consequences and the magnitude of any potential losses. The following risks may not be all-inclusive but should be considered carefully by a prospective Client before entering the Platform. These risks should be considered as possibilities, with

additional regard to their actual probability of occurring and the effect on a Client if there is, in fact, an occurrence.

**Market Risk** - The price of any security or the value of an entire asset class can decline for a variety of reasons outside of Dollarize's control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events.

**Investment Risk** - There is no guarantee that Dollarize's judgment, models or investment decisions about particular securities or asset classes will necessarily produce the intended results. Dollarize's judgment may prove to be incorrect, and a Client might not achieve the intended investment objectives. Dollarize may also make future changes to the investing algorithms and services that it provides. In addition, it is possible that Clients or Dollarize itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to Dollarize's software-based financial service.

**Use of Algorithms** - As discussed previously, Dollarize uses algorithms to provide investment advisory services to Clients. These algorithms determine the recommended investment strategy and/or asset allocation based on inputs from the Client. These algorithms may not perform as intended for a variety of reasons, including but not limited to incorrect assumptions, changes in the market, and/or changes to data inputs. These algorithms, or a computer system's code or underlying assumptions may be periodically modified, and these changes may have unintended consequences. The algorithms described above will generate recommendations only from information that is input into the algorithm. Although Dollarize collects a variety of information from Clients, individualized information about every aspect of a Client's personal financial situation is not elicited through Dollarize's website, and therefore, not considered by the algorithms. Clients should be aware of this limitation when considering Dollarize's service. Additional information regarding relevant considerations for Clients considering an automated digital investment advisory program is contained in the Investor Bulletin from the Securities and Exchange Commission available at [https://www.sec.gov/oiea/investor-alerts-bulletins/ib\\_roboadvisers.html](https://www.sec.gov/oiea/investor-alerts-bulletins/ib_roboadvisers.html).

**Volatility and Correlation Risk** - Clients should be aware that Dollarize's asset selection process is based in part on a careful evaluation of past price performance and volatility in order to evaluate future probabilities. However, it is possible that different or unrelated asset classes may exhibit similar price changes in similar directions, which may adversely affect a Client, and may become more acute in times of market upheaval or high volatility. Past performance is no guarantee of future results, and any historical returns, expected returns, or probability projections might not reflect actual future performance.

**Liquidity and Valuation Risk** - High volatility and/or the lack of deep and active liquid markets for a security may prevent a Client from selling her securities at all, or at an advantageous time or price because Dollarize and the Client's broker may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. Some ETFs that hold or trade financial instruments may be adversely affected by liquidity issues as they manage their portfolios.

**Credit Risk** - Dollarize cannot control, and Clients are exposed to the risk that financial intermediaries or security issuers may experience adverse economic consequences that may include impaired credit ratings, default, bankruptcy, or insolvency, any of which may affect portfolio values or management. This risk applies to assets on deposit with any broker utilized by a Client, notwithstanding asset segregation and insurance requirements that are beneficial to Clients generally. In addition, exchange trading venues or trade settlement and clearing intermediaries could experience adverse events that may temporarily or permanently limit trading or adversely affect the value of securities held by Clients. Finally, any issuer of

securities may experience a credit event that could impair or erase the value of the issuer's securities held by a Client. Dollarize seeks to limit credit risk through ETFs, which are subject to regulatory limits on asset segregation and leverage such that fund shareholders are given liquidation priority versus the fund issuer; however, certain funds and products may involve higher issuer credit risk because they are not structured as a registered fund.

**Legislative and Tax Risk** - Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment adviser or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities and changes in the tax code that could affect interest income, income characterization, and/or tax reporting obligations (particularly for ETFs dealing in natural resources). Dollarize does not engage in financial or tax planning, and in certain circumstances, a Client may incur taxable income on her investments without a cash distribution to pay the tax due.

**Foreign Investing and Emerging Markets Risk** - Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social, and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices, and foreign regulation may be inadequate or irregular.

**Frontier Markets Risks** - The risks associated with investing in foreign or emerging markets generally are magnified in frontier markets, also known as "next emerging" markets. Some frontier markets may operate in politically unstable regions of the world and may be subject to additional geopolitical/disruption-of-markets risks.

**ETF Risks, including Net Asset Valuations and Tracking Error** - ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that to the extent they invest in ETF securities, they will pay two levels of compensation - fees charged by Dollarize plus any management fees charged by the issuer of the ETF. This scenario may cause a higher cost (and potentially lower investment returns) than if a Client purchased the ETF directly.

An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of the fund may include investment adviser management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary.

**Inflation, Currency, and Interest Rate Risks** - Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed-income investments to decline. The liquidity and trading value of foreign currencies could be affected by global economic factors, such as inflation, interest rate levels, and trade balances among countries, as well as the actions of sovereign governments and central banks. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by Dollarize may be affected by the risk that currency devaluations affect Client purchasing power.

**Cybersecurity Risks** - Dollarize and its service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs, and data from cyberattacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss, or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate, but unintentional events may have similar effects. Cyber-attacks may cause losses to Clients by interfering with the processing of transactions, affecting Dollarize's ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased, and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose Dollarize to civil liability as well as regulatory inquiry and/or action. In addition, Clients could incur additional losses as a result of unauthorized use of their personal information. While we have established business continuity plans, incident response plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cybersecurity risks also are present for issuers of securities in which we invest, which could result in material adverse consequences for such issuers and may cause a Client's investment in such securities to lose value.

**Investment Strategy Risks** - There are risks associated with the long-term core strategic holdings. The more aggressive the investment strategy, the more likely the portfolio will contain larger weights in riskier asset classes, such as equities.

**Equity-Related Risks** - The prices of equity securities will rise and fall. These price movements may result from factors affecting individual companies, industries, or the securities market as a whole. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. In addition, the equity market tends to move in cycles, which may cause stock prices to fall over short or extended periods of time.

**Reliance on Management and Other Third Parties** - ETF investments will rely on third-party management and advisers, Dollarize is not expected to have an active role in the day-to-day management of

investments. Carried interest and other incentive distributions to fund management may create an incentive towards more speculative investments than would otherwise have been made.

**Infrastructure Risks** - Infrastructure-related investments are subject to a number of unique risks. These investments may be concentrated into a small number of projects, resulting in a high degree of risk with respect to each project. Further, these investments are often subject to foreign and emerging market risks.

**Market Volatility** - General fluctuations in the economy may affect the value of one or more investments. In the event of economic volatility, the ability to achieve a favorable return on investments may be severely impeded.

**Socially Responsible Investing** - Investments may focus on “low carbon” or other areas of socially responsible investing. This investment category represents a relatively new area of investment with a relatively limited performance track record. Due to the consideration of non-monetary factors in investment decisions, these investments may experience a lower rate of return. There may be a relatively limited number of investments to consider in this investment category, and available investments may be subject to increased competition.

**Large Investment Risks** - Clients may collectively account for a large portion of the assets in certain investments. A decision by many investors to buy or sell some or all of a particular investment where Clients hold a significant portion of that investment may negatively impact the value of the investment.

**Novel Coronavirus Pandemic, Public Health Emergency and Global Economic Impacts** - As of the date of this Form ADV Part 2A, there is an ongoing outbreak of a novel and highly contagious form of coronavirus (“COVID-19”), which the World Health Organization declared a pandemic on March 11, 2020. The outbreak of COVID-19 has caused a worldwide public health emergency with a substantial number of hospitalizations and deaths and has significantly adversely impacted global commercial activity and contributed to both volatility and material declines in equity and debt markets. The global impact of the outbreak is rapidly evolving, and many country, state and local governments have reacted by instituting mandatory or voluntary quarantines, travel prohibitions and restrictions, closure or reduction of offices, businesses, schools, retail stores and other public venues and/or cancellation, suspension or postponement of certain events and activities, including certain non-essential government and regulatory activity. Businesses are also implementing their own precautionary measures, such as voluntary closures, temporary or permanent reductions in workforce, remote working arrangements, and emergency contingency plans. Such measures, as well as the general uncertainty surrounding the dangers, duration, and impact of COVID-19, are creating significant disruption in supply chains and economic activity, impacting consumer confidence, and contributing to significant market losses, including having particularly adverse impacts on transportation, hospitality, tourism, sports, entertainment, and other industries dependent upon physical presence. As COVID-19 continues to spread, potential additional adverse impacts, including a global, regional, or other economic recession of indeterminate duration, are increasingly likely and difficult to assess.

The extent of the impact of COVID-19 on Dollarize will depend on many factors, including the duration and scope of the resulting public health emergency, the extent of any related restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of the COVID-19 pandemic may materially and adversely impact

Dollarize's ability to source, manage and divest investments and Dollarize's ability to achieve its investment objectives on behalf of its Clients, all of which could result in significant losses to a Client.

In addition, COVID-19 and the resulting changes to global businesses and economies will, likely, adversely impact the business and operations of Dollarize, and its respective affiliates. Certain businesses and activities may be temporarily or permanently halted as a result of government or other quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors, including the potential adverse impact of COVID-19 on the health of key personnel.

**Other Catastrophic Risks** - In addition to the potential risks associated with COVID-19 as outlined above, Dollarize may be subject to the risk of loss arising from direct or indirect exposure to a number of types of other catastrophic events, including without limitation (i) other public health crises, including any outbreak of SARS, H1N1/09 influenza, avian influenza, other coronaviruses, Ebola or other existing or new epidemic diseases, or the threat thereof; or (ii) other major events or disruptions, such as hurricanes, earthquakes, tornadoes, fires, flooding and other natural disasters; acts of war or terrorism, including cyberterrorism; or major or prolonged power outages or network interruptions. The extent of the impact of any such catastrophe or other emergencies on Dollarize's operational and financial performance will depend on many factors, including the duration and scope of such emergency, the extent of any related travel advisories and restrictions, the impact on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. In particular, to the extent that any such event occurs and has a material effect on global financial markets or specific markets in which Dollarize participates (or has a material effect on any locations in which Dollarize operates or on any of their respective personnel) the risks of loss could be substantial and could have a material adverse effect the ability of Dollarize to fulfill its investment objectives.

**Limitations of Disclosure** - The foregoing list of risks does not purport to be a complete enumeration or explanation of the risks involved in investing in investments. As investment strategies develop and change over time, Clients may be subject to additional and different risk factors. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

## 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 an evaluation of such adviser or the integrity of such adviser's management. Dollarize does not have any legal, financial, regulatory, or other "disciplinary" item to report to any Client. This statement applies to Dollarize and to every employee of Dollarize.

## Item 10 - Other Financial Industry Activities and Affiliations

In order to open an Investment Account with Dollarize, Clients must also become customers of the Dollarize's affiliate, Dollarize Financial. Dollarize and Dollarize Financial are under common ownership by Investore, which is principally owned by Plataforma de Fondos Sapi de CV. Investore pays for certain expenses and provides certain resources, including salaries and personnel, for both Dollarize and Dollarize Financial. Dollarize Financial will receive compensation with respect to its services (as more fully described below) as well as the services facilitated by some of its third-party service providers, which may take the form of commissions, markups, markdowns, service fees or other equivalents. Accordingly, Dollarize has

a conflict of interest to recommend the services of Dollarize Financial to advisory clients. Dollarize and Dollarize Financial will provide materials disclosing these arrangements to Clients. Dollarize periodically monitors Dollarize Financial's service charges to assess that the charges are comparable to other money transmitters that would provide similar services.

Dollarize Financial is registered as a Money Services Business with the Financial Crimes Enforcement Network. Dollarize Financial offers Clients Digital Dollar Accounts through Circle Internet Financial, LLC ("Circle"). In addition to providing Clients the ability to deposit and withdraw funds into their Digital Dollar Accounts, Dollarize Financial facilitates the movement of Client deposits and withdrawals into their Investment Accounts. In addition, Dollarize Financial has entered into a number of arrangements with unaffiliated third parties to offer its customers additional services, including offering its customers the ability to earn in-kind interest through the Nexo Earn Interest Product, provided by Nexo Financial LLC ("Nexo"), as well as buy and sell cryptocurrency through accounts established at Alpaca Crypto, LLC ("Alpaca Crypto"). Dollarize Financial receives a portion of earn-in-kind interest earned by customers through the Nexo Earn Interest Product. Alpaca and Alpaca Crypto are both wholly-owned subsidiaries of AlpacaDB, Inc.

Dollarize does not recommend or have any discretion over the execution, timing, or amount of any deposits or withdrawals into or out of Client Investment Accounts. All such considerations are exclusively determined by the Client.

Dollarize does not recommend or select other investment advisers for its Clients and receive compensation directly or indirectly from those advisers, nor does Dollarize have other business relationships with those advisers.

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

Dollarize has adopted a code of ethics (the "Code of Ethics") for all access persons of Dollarize, describing its standard of business conduct and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All access persons of Dollarize must acknowledge the terms of the Code of Ethics annually, or as amended.

Because Dollarize provides non-discretionary advisory services solely through the Platform, Dollarize does not recommend or have any discretion over the execution, timing, or amount of any deposits or withdrawals into or out of a Client's Investment Account, excluding periodic Model Portfolio rebalancing. Nonetheless, Dollarize and its access persons may trade for their own accounts in securities which Dollarize's Clients also transaction. Dollarize's access persons are required to follow Dollarize's Code of Ethics. The Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of the access persons of Dollarize will not interfere with (i) making decisions in the best interest of Clients and (ii) implementing such decisions while, at the same time, allowing such access persons to invest for their own accounts. Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that personal transactions in these types of securities would not materially interfere with the best interest of Clients. Personal trading is monitored under the Code of Ethics to reasonably prevent conflicts of interest between Dollarize and its Clients.

Dollarize does not execute transactions on a principal or agency cross basis.

## Item 12 - Brokerage Practices

### Best Execution

The Platform requires the establishment of a brokerage account at Alpaca, which will provide execution, settlement and clearing services. In selecting Alpaca, Dollarize did not consider any gifts or entertainment; the broker's willingness to cover trade errors caused by Dollarize; or Client referrals or capital introduction. Dollarize selected Alpaca for custody and trade processing due, in part, to accessibility, electronic trading, efficient and professional service, technical support, and timely reporting to clients. While Dollarize is obligated to seek best execution for all trades, in seeking best execution the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a services. Dollarize continuously reviews the accuracy, timeliness and execution of trades processed through Alpaca; however, Dollarize cannot guarantee that a client will receive the most favorable execution of their trades, which in turn may cost clients more money. Periodically, Dollarize reviews the custodial services provided by other qualified custodians.

Alpaca executes trades upon receipt of the Client's order. Despite this, there may, depending on the liquidity and demand in the market, be a material change in the market price of the security being bought or sold.

Alpaca is generally responsible for: (i) maintaining and recording transactions in cash and securities in Investment Accounts; (ii) sending orders placed by the Client for execution, clearance, and settlement; and (iii) providing a Client with statements, confirmations, other required documentation, and other information about a Client's Investment Account and transactions therein. Clients authorize Alpaca to execute all trades and transactions a Client makes via the Platform and to carry a Client's Investment Account that holds Client securities and cash and to record the transactions a Client has made.

Dollarize may transmit or help facilitate a Client's requests for withdrawals or transfers Alpaca and/or Dollarize Financial. However, Dollarize shall have no authority to initiate any withdrawal or otherwise to transfer any securities or money out of an Investment Account, except for deduction of Dollarize's deduction of its Annual Fee (as discussed in Item 5 above).

### Brokerage for Client Referrals

Dollarize does not consider, in selecting or recommending broker-dealers, whether Dollarize receives client referrals from the financial institutions or other third-party.

### Directed Brokerage

Dollarize does not have directed brokerage arrangements.

## Item 13 - Review of Accounts

Clients have access to current Investment Account balances and positions through the Platform. The Custodian prepares account statements showing all transactions and account balances during the prior



month. All information relating to Investment Accounts are provided on the Platform. On a quarterly basis, Dollarize reminds Clients to review and update the Client's information and previously provided Suitability Questionnaire. Dollarize requests that Clients reconfirm the Client's current profile information as needed and on an annual basis. Dollarize, as applicable, conducts quarterly and periodic rebalancing of Model Portfolios, reviews the Client's Investment Account when the Client updates the client profile in the Platform with a material change or if a material change has occurred in the selected Model Portfolio or as otherwise described in this Brochure.

## Item 14 - Client Referrals and Other Compensation

Except as otherwise described in this brochure, Dollarize and its related persons do not receive an economic benefit (such as sales awards or other prizes) from any third party for providing investment advisory services to Clients.

Dollarize Financial an affiliate of Dollarize, currently provides a Digital Dollar Account to its customers (which will also be Clients). In connection with this offering, Dollarize Financial may make available a number of ancillary services available to its customers, including the ability to earn in-kind interest through Nexo, transfer funds to third parties as well as utilize cryptocurrency trading services offered by Alpaca Crypto. Dollarize Financial will charge various fees and commissions to its customers with respect to such services which will be to the benefit of Dollarize and/or its related persons. Therefore, this presents a conflict of interest for Dollarize.

Separately, Dollarize may receive from a broker-dealer or a fund company, without cost and/or at a discount, certain services and/or products, to assist in monitoring and servicing Investment Accounts. These may include investment-related research, pricing information and market data, software and other technology that provide access to Investment Account data, compliance and/or practice management-related publications, discounted or free consulting services, discounted or free attendance at conferences, meetings, and other educational or social events, marketing support, computer hardware or software, and other products used by Dollarize to assist Dollarize in its investment advisory business operations.

Dollarize does not offer cash payments for Client solicitations.

## Item 15 - Custody

Dollarize does not maintain custody of Client's funds or securities. All Client Investment Accounts are held with the Custodian. Participation in the Platform requires that a Client agrees to the Custodian's customer agreement (the "Custodian Agreement"), whereby the Custodian will carry a brokerage account that holds Client securities and cash and will record Client transactions on the Platform as well as act as the clearing broker and qualified custodian for Client Investment Accounts. Neither Dollarize nor any investment service provider engaged by Dollarize is responsible for the obligations of the Custodian or any successor custodian. Under Dollarize's Advisory Agreement, Clients authorize Dollarize to instruct the Custodian to deduct Dollarize's Annual Fee directly from Client accounts at Alpaca, which is considered a form of "custody." For this reason, Dollarize is deemed to have "custody" of Client assets for this limited purpose. While Dollarize instructs Alpaca to withdraw its fees, Alpaca maintains actual custody of Client assets.

Clients should receive, on at least a quarterly basis, statements from Alpaca. Clients should carefully review such statements and compare such official custodial records to the reports and information provided on Dollarize's Platform. Information provided through the Platform may vary from custodial

statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## Item 16 - Investment Discretion

Dollarize provides non-discretionary advisory services solely through the Platform. Dollarize does not recommend or have any discretion over the execution, timing, or amount of any deposits or withdrawals into or out of a Client's Investment Account, excluding periodic Model Portfolio rebalancing. Participation in the Platform requires that Clients authorize Dollarize and the Custodian to make trades in the Client's Investment Account solely based on the Investments selected by the Client.

As with similar automated services, Clients will not be allowed to make individual trades in the Model Portfolios. Clients may request that certain Investments be excluded from their Investment Account(s) but not all requested restrictions will be processed by Dollarize, at its sole discretion. The Client will be notified if the Investment Account cannot be managed with the requested investment restrictions.

## Item 17 - Voting Client Securities

Dollarize does not have any authority to and does not vote proxies on behalf of Clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in such Client's Investment Account. Clients will receive proxies and other solicitations directly from the Custodian. Dollarize will neither advise nor act on behalf of the Client in legal proceedings involving companies whose securities are held or previously were held in the Client's Investment Account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements.

## Item 18 - Financial Information

Dollarize does not require or solicit the prepayment of any fees six or more months in advance and does not have any adverse financial condition that is reasonably likely to impair Dollarize's ability to continuously meet its contractual commitments to its Clients. Dollarize has not been the subject of a bankruptcy proceeding.