# Item 1 - Cover Page

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**Optimized Investments LLC**

Registered Investment Adviser

CRD # 330713

Optimized Investments LLC

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Form ADV Part 2A

Firm Brochure

May 31, 2024

This brochure provides information about the qualifications and business practices of Optimized Investments LLC. Please contact Trevor C. Begeman at 605-230-1075 if you have any questions about the content of this brochure.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about Optimized Investments LLC is available on the SEC’s website at www.adviserinfo.sec.gov. Click on the “Investment Adviser Search” link and then search for “Investment Adviser Firm” using the firm’s IARD (“CRD”) number, which is 330713.

While the advisory firm and anyone associated with it are registered and/or licensed within a particular jurisdiction, that registration and/or licensing in itself does not imply an endorsement by any regulatory authority, nor does it imply a certain level of skill or training on the part of the firm or its associated personnel.

# Item 2 - Material Changes

This is an original filing; there are no material changes to disclose. For future filings, this section of the brochure may address only those material changes that have occurred since the firm’s last annual update.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC’s website at www.adviserinfo.sec.gov or may contact our firm at 605-230-1075 to request a copy at any time.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

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***Important Information***

Throughout this document Optimized Investments LLC is also be referred to as “the firm,” “firm,” “our,” “we” or “us.” The client or prospective client is also referred to as “you,” “your,” etc., and refers to a client engagement involving a single *person* as well as two or more *persons* and refers to natural persons and legal entities. The term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (i.e., internet address, etc.). We have attempted to avoid the permissive term “may” or “might” in this document; however, common written expression necessitates their periodic use to convey our message.

Our firm maintains a business continuity and succession plan that is integrated within the organization to ensure it appropriately responds to events that pose a significant disruption to its operations. A statement concerning the current plan is available upon request.

# Item 4 - Advisory Business

***Description of Firm***

Optimized Investments LLC is a South Dakota domiciled limited liability company formed in March of 2024 for general business purposes, and subsequently registered as an investment adviser in May of 2024. There are no subsidiaries nor is the firm controlled by another financial services industry entity.

Trevor C. Begeman is the firm’s President and Chief Compliance Officer (supervisor). Mr. Begeman is also Managing Member and maintains a majority interest in the firm. Additional information about Trevor Begeman and his professional experience is found toward the end of this document in Item 19 as well as within his Form ADV Part 2B brochure supplement.

Optimized Investments offers financial planning, providing advice to our clients on key topics such as cash flow and budgeting, funding a college education, retirement, and estate planning, among several others. We provide ongoing and continuous supervision of clients’ accounts through our portfolio management services, but we do not sponsor or serve as portfolio manager involving wrapped (“bundled”) fee investment programs. Our services are described later in this section (Item 4), and an explanation of our fees can be found in Item 5 of this firm brochure.

***Description of Services***

An initial interview is conducted with the client to discuss their current situation, long-term goals, and the scope of services to be provided. Concurrent with this meeting the client will be provided with this Form ADV Part 2 firm brochure that includes a statement involving our privacy policy, as well as a brochure supplement about the representative who will be assisting. Our firm will disclose any material conflicts of interest that could be reasonably expected to impair the rendering of unbiased and objective advice, such as information found in Items 10 through 12 of this brochure.

If the client wishes to engage our firm for its services, they must first execute our engagement agreement. Thereafter further discussion and analysis will be conducted to determine financial need, goals, holdings, etc. Depending on the scope of the engagement, the client is frequently asked to provide copies of the following documents early in the process:

* wills, codicils, and trusts

• insurance policies

• mortgage information

• tax returns

• student loans

• divorce decree or separation agreement

• current financial specifics including W-2s or 1099s

• information on current retirement plans and benefits provided by an employer

• statements reflecting current investments in retirement and non-retirement accounts

• employment or other business agreements, and

• completed risk profile questionnaires or other forms provided by our firm.

It is important that we are provided with an adequate level of information and supporting documentation throughout the term of the engagement including but not limited to: source of funds, income levels, and an account holder or attorney-in-fact’s authority to act on behalf of the account, among other information that necessary for our services. The information and/or financial statements provided to us need to be accurate. Our firm may, but is not obligated to, verify the information that have been provided to us which will then be used in the advisory process.

It is essential that the client inform our firm of significant issues that call for an update to their financial plan or investment portfolio. Events such as changes in employment or marital status, an unplanned windfall, etc., can have an impact on a client’s circumstances and goals. Our firm needs to be aware of such events so that adjustments can be made.

**Financial Planning**

A client’s financial plan is as broad-based or narrowly focused as they desire. The incorporation of most or all listed below assessment areas allows not only a thorough analysis but also a refined focus of the client’s plans so that the firm is able to assist them in reaching their goals and objectives. Each financial planning client will receive a customized written plan in printed or digital format at the end of the process tailored to their situation.

*Cash Flow Analysis and Debt Management*

A review of income and expenses may be conducted to determine the client’s current surplus or deficit. Based upon the results, we might recommend prioritizing how any surplus should be used, or how to reduce expenses if they exceed income. In addition, advice on the prioritization of which debts to repay may be provided, based upon such factors as the debt’s interest rate and any income tax ramifications. Recommendations may also be made regarding the appropriate level of cash reserves for emergencies and other financial goals. These recommendations are based upon a review of cash accounts (such as money market funds) for such reserves and may include strategies to save desired reserve amounts.

*Risk Management*

A risk management review includes an analysis of exposures to major risks that could have a significant adverse impact on the client’s financial picture, such as premature death, disability, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”). We are not an insurance agency, nor do we have licensed insurance agents on staff, but we will assist clients in finding a licensed agent if they are interested in acquiring an insurance contract. We are not compensated for these introductions.

*Employee Benefits*

A review is conducted, and analysis is made as to whether the client, as an employee, is taking maximum advantage of their employer’s benefits. We will also offer advice on the client’s employer-sponsored retirement plan, deferred compensation, stock options, along with other benefits that may be available. We may assess the client’s ability to rollover funds, within or outside of their employer-sponsored plan, and determine the advantages or disadvantages as it relates to individual client goals.

*Education Planning*

Advice may include projecting the amount that will be needed to achieve post-secondary education funding goals, along with savings strategies and the “pros-and-cons” of various college savings vehicles that are available. We are also available to review a client’s financial picture as it relates to eligibility for financial aid or the best way to contribute to other family members.

*Personal Retirement Planning*

Retirement planning services typically include projections on the likelihood of achieving a financial goal(s), with financial independence usually the primary objective. For situations where projections show less than the desired results, a recommendation may include showing the impact on those projections by making changes in certain variables (i.e., working longer, saving more, spending less, taking more risk with investments). If a client is near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during retirement years.

*Social Security Strategies*

A review of client’s Social Security statements will be conducted, and an analysis completed, to optimize Social Security income as it relates to the client’s goals. The client will be briefed regarding various Social Security income options available, and a subsequent recommendation will be made in accordance with their financial plan.

*Estate Planning and Charitable Giving*

Our review typically includes an analysis of a client’s exposure to estate taxes and their current estate plan, which may include whether they have a will, powers of attorney, trusts, and other related documents. We may assess ways to minimize or avoid estate taxes by implementing appropriate estate planning and charitable giving strategies. We are not a law firm, and we encourage clients to consult with an experienced attorney when they initiate, update, or complete estate planning activities, and we may provide contact information for attorneys who specialize in estate planning (we are not compensated for these introductions).

*Investment Consultation*

The investment consultation component of our financial planning engagement often involves providing information about the types of investment vehicles, general investment analysis and strategy(ies), portfolio design, as well as limited assistance if a client investment account is maintained at another broker/dealer or custodian (“held-away” account). Our portfolio strategy and types of investments that may be recommended are further discussed in Item 8 of this brochure.

*Broad-Based v. Modular Financial Planning*

A broad-based plan is an endeavor that requires detail. Certain variables can affect the development of the plan, such as the quality of a client’s records, complexity and number of current investments, diversity of insurance products and employee benefits they currently hold, size of the potential estate, and special needs of the client or their dependents, among others. At the client’s request, we may concentrate on reviewing only a specific area (modular planning), such as an employer retirement plan allocation, or evaluating the sufficiency of their current retirement plan. Note that when these services focus only on certain areas of client interest or need, the overall situation or needs may not be fully addressed due to limitations the client has established. Whether we have created a broad-based or modular plan, we will present each client with a summary of our recommendations, guide them in the implementation of some or all of them (per the client’s decision), as well as offer periodic reviews thereafter. In all instances involving our financial planning engagements, our clients retain the right to accept or reject any recommendation we make.

**Portfolio Management**

Optimized Investments LLC will prepare written investment guidelines reflecting the client’s objectives, time horizon, and tolerance for risk. We allow reasonable account constraints that a client has for their portfolio. For example, clients have the right to exclude certain securities (e.g., no foreign stocks, no local revenue bonds, etc.). However, investment guidelines are designed to be specific enough to provide future guidance while allowing our firm flexibility to work with changing market conditions. We will then develop a customized portfolio for the client based on their unique situation and investment goals. Our portfolio strategies and recommended investments are discussed in Item 8, and we manage portfolios on a discretionary or nondiscretionary basis (see Item 16). Because this is our initial year of operation, we do not have client reportable assets under our management[[1]](#footnote-1) as of the date of this brochure’s publication footnoted below.

**Retirement Plan Advice and Rollovers**

As a registered investment adviser, our firm is a fiduciary to every client, thus we are obligated to always act in our clients’ best interest. In addition to our fiduciary status as an investment advisory firm, when our firm provides advice to retirement investors, such as advice about an employer-sponsored retirement plan, individual retirement account (IRA) or other qualified retirement plan, we may also be considered by the US Department of Labor and the Internal Revenue Service to be acting as a fiduciary under Title I of ERISA and the Internal Revenue Code. These fiduciary obligations include requirements that we disclose our services and fees, conflicts of interest, and the reasons our recommendations are in the client’s best interests.[[2]](#footnote-2) After an analysis of the client’s situation and their retirement plan documents, we will consider relevant factors including but not limited to the following:

* alternatives to rolling the employer plan to an IRA, including leaving the money in an employer’s retirement plan (if permitted); rolling the money to a new employer plan if available; or cashing out
* fees and expenses associated with both the employer’s plan and the rollover IRA (or other alternatives such as noted above) and whether the employer currently pays for some or all of the plan’s expenses
* different levels of services and investments available under the employer plan and the rollover IRA, and other alternatives
* whether the rollover is appropriate considering any additional costs and the resultant decrease in the client’s return
* treatment of withdrawals under each alternative (e.g., penalties up to age 55 vs. 59½ years old)
* protection from creditors and legal judgments (unlimited vs. bankruptcy only; federal- and state-specific)
* required minimum distributions
* tax implications of rolling shares of employer stock, and
* impact of economically significant investment features such as surrender schedules and index annuity cap and participation rates (such as in an employer-sponsored § 403(b) plan account).

The potentially affected client will be made aware of conflicts of interest including but not limited to whether our firm will profit from a recommendation through financial planning and/or investment management fees, and whether services we offer are already provided by or available through the client’s current retirement plan, and potentially at no additional cost.

# Item 5 - Fees and Compensation

Forms of payment are based on the types of services being provided, term of service, etc., and will be stated in each engagement agreement. Our published fees are negotiable, and we may waive or discount our fees for our associates, their family members, and pre-existing relationships. We strive to offer fees that are fair and reasonable considering the experience of our firm and the services to be provided, and clients may be able to find lower fees for comparable services from other registered investment advisers.

Our firm does not accept cash or money orders for its engagements. Fees are to be paid to our firm by check or draft from US-based financial institutions. With a client’s prior written authorization, payment may also be made by credit or debit card through a qualified, unaffiliated PCI compliant[[3]](#footnote-3) third-party processor, or withdrawal from their investment account held at their custodian of record.

***Fee Schedules***

**Financial Planning**

Financial planning engagements are assessed an hourly fee at the rate of $50 per hour; billed in 15-minute increments, and partial increments (e.g., nine minutes) will be treated as a whole increment (rounded up). Prior to entering into an agreement with our firm, the client will receive an estimate of the overall cost based on their planning requirements and the time involved. No deposit is required at the execution of the hourly engagement agreement; the entire fee will be due upon plan delivery. However, an hourly engagement lasting more than one month will be billed at the end of each month for time incurred. We will provide an invoice that will include the fee charged, the time period covered by the fee, and the fee calculation itself. The planning engagement ends upon plan delivery.

**Portfolio Management**

We do not require a minimum account size to open or maintain an investment account, nor do we assess account opening and/or administration fees to initiate our portfolio management services. For the benefit of discounting our asset-based fee, we aggregate accounts for the same household. Our portfolio management fee is billed in arrears on a quarterly basis per the following fee table.

The asset-based fee is calculated by multiplying the account value at the end of each calendar quarter by the applicable number of basis points (bps), and then dividing that result by four to determine the fee. One basis point equals 1/100 of one percent.

**Fee formula: ((quarter-end account value) x (applicable number of basis points)) ÷ 4**

|  |  |
| --- | --- |
| **Assets Under Management** | **Annualized Fee** |
| $0 - $1,000,000 | 0.50% (50 bps) |
| Above $1,000,000 | 0.25% (25 bps) |

Fee Example: A portfolio management account under our firm’s management maintaining $100,000 of investible assets at the end of the quarter will be assessed $125 (quarterly, in arrears). Formula: ($100,000 x 0.50%) = $500 (annualized fee) ÷ 4 (quarters) = $125 (quarterly fee).

The asset-based fee is based on a blended tier. For example, a client’s portfolio with $1,500,000 in assets managed by our firm would be assessed an annualized asset-based fee of 0.50% for the first $1,000,000, and 0.25% on the remaining amount above $1,000,000.

The first billing cycle will begin once the engagement agreement is executed with our firm and the assets have settled into the client’s separate account held by the custodian of record. Advisory fees for partial quarters will be prorated based on the remaining days in the reporting period in which our firm services the account. Fee payments will generally be assessed within the first 10 calendar days of each calendar quarter.

The client’s written authorization is required in order for the custodian of record to deduct advisory fees from their account. By signing our firm’s engagement agreement, the client is authorizing our advisory fee deduction. In addition, the client will sign the custodian account opening documents, which authorizes the custodian to withdraw advisory fees and any of their transactional fees from the client’s account. The custodian will remit our fees directly to our firm. All deducted fees and charges will be noted on account statements that the client receives directly from the custodian of record.[[4]](#footnote-4) Alternatively, the client has the right to directly pay our advisory firm its portfolio management fee in lieu of having the advisory fee withdrawn from their investment account by the custodian, which will be addressed on a case-by-case basis. Our valuation assessment for direct payment will remain the same as described below, and the client’s direct payment must be received by our firm within 10 days of our invoice.

Our firm will concurrently send the client and the custodian of record a written invoice each billing period that describes the advisory fees to be deducted from the account at our firm’s request. The invoice will include the total fee assessed, covered time period, calculation formula utilized, reference to the value of those assets under management in which the fee had been based, as well as the name of the account custodian.

Optimized Investments LLC will not be entitled to cash or other client assets held by the custodian of record except those monies owed to our firm in connection with its services as described earlier. Subject to the custodian’s fee debit procedures, advisory fees will be payable first from free credit balances, if any, in the account(s) as designated and, second, from the liquidation of any money market funds. If such assets are insufficient to satisfy payment of the advisory fees, the client will authorize the firm (subject to suitability guidelines) to instruct the custodian to liquidate a portion of any asset in the applicable account to cover the advisory fee. In addition, the firm will charge the client for all fees and assessments associated with checks that are returned for insufficient funds assessed by the custodian; including, but not limited to, custodial/clearing firm fees or charges.

***Termination of Services***

Either party may terminate the engagement agreement at any time by communicating the intent to terminate in writing. If a client did not receive our Form ADV Part 2 brochure at least 48 hours prior to entering into our firm’s agreement, then that client will have the right to terminate the engagement by written notice without penalty within five business days after entering into the contract. We do not require advance payments for our services.

If a client terminates a financial planning service after this five business-day rescission period, we will assess our hourly fee for work completed up to the date of termination. We will provide a terminating invoice to the client that will contain the fee charged by our firm, the formula used to calculate our fee, the time period covered by the fee, and the fee calculation itself. When a portfolio management services client terminates their agreement after the five business-day rescission period, that client will be assessed fees from either (*i*) as a new client, the date of the engagement to the date of the firm’s receipt of the written notice of termination, or (*ii*) all other accounts, the last billing period to the date of the firm’s physical or constructive receipt of written termination notice. If our firm is unable to deduct its earned fees from the client’s account at the custodian of record, then the firm’s fee will be due upon the client’s receipt of our firm’s invoice.

***Additional Client Fees***

Any transactional or service fees or commissions (sometimes termed *brokerage fees*), individual retirement account fees or commissions, qualified retirement plan fees or commissions, account termination fees or commissions, or wire transfer fees are borne by the account holder and per the separate fee or commission schedule of each custodian of record. We will ensure that our clients receive a copy of our preferred custodian’s fee or commission schedule at the beginning of the engagement, and the client will be notified of any future changes to these fees or commissions by the custodian of record. Fees paid by our clients to our firm for our advisory services are separate from any of these fees or commissions or other similar charges. In addition, our advisory fees are separate from any internal fees or commissions, or charges a client pays involving mutual funds, exchange-traded funds (ETFs), or other similar investments. Additional information about our fees in relationship to our brokerage and operational practices are noted in Item 12 of this document.

Our firm does not charge or receive a commission or a mark-up on securities transactions, nor will the firm or an associate be paid a commission on the purchase of a securities holding or insurance contract that is recommended to a client. We do not receive SEC Rule 12b-1 fees (“trails”) from a mutual fund company that may be recommended to a client. Fees charged by such issuers are detailed in prospectuses or product descriptions and interested clients are encouraged to read these documents before investing. Our firm and its associates receive none of these described or similar fees or charges. Our clients retain the right to purchase recommended or similar investments through a service provider of their choice (i.e., brokers, agents, etc.).

Our firm can provide both financial planning and portfolio management services to our clients. Due to our firm’s ability to offer both these services and receive a fee for each engagement, conflicts of interests exist due to the extended services that we provide. Clients engaging us for only one of our services always have the right to decide to act on our recommendation to engage us for another service.

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

Our advisory fees will not be based on a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as performance-based fees. Our fees will not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not.

# Item 7 - Types of Clients

Optimized Investments LLC provides its services to individuals and high net worth individuals. We do not require minimum income, minimum asset levels or other similar preconditions for our services. Our firm reserves the right to decline services to any prospective client for any non-discriminatory reason.

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

***Methods of Analysis and Investment Strategy***

We utilize what we think is an appropriate blend of fundamental, technical, and cyclical analyses (a form of technical analysis). For example, fundamental analysis may involve evaluating economic factors including interest rates, the current state of the economy, or the future growth of an industry sector. Technical and cyclical analysis may involve studying the historical patterns and trends of securities, markets, or economies as a whole in an effort to determine potential future behaviors, the estimation of price movement, and an evaluation of a transaction before entry into the market in terms of risk and profit potential. In addition to our own research, we may draw from sources that include:

* financial periodicals
* research reports from economists and other industry professionals
* company annual reports, and
* regulatory filings (i.e., prospectus, financial filings, etc.).

Our firm’s investment strategy is based on Modern Portfolio Theory that is customized and personalized by the client's risk tolerance, time horizon, personal preferences, and reasonable requests. We encourage dollar-cost averaging to lower the average cost per share of a security and reduce portfolio volatility. The securities we suggest are typically ETFs, mutual funds, individual equities and fixed income (stocks and bond) offerings, and the limited used of options.

Modern Portfolio Theory centers around the idea of creating an efficient, or optimized, portfolio by combining various securities, asset classes, and investing styles with the goal of maximizing expected future return for each unit of expected risk. Long-term historical risk, return, and cross-asset correlation data and trends are utilized as a baseline for developing forward-looking risk and return expectations for individual investment categories or styles. These assumptions may then be adjusted to account for prevailing market or economic conditions, anticipated demographic shifts or changes in investor demand and fund flows, and shifts in perceived tail-risk probabilities to better account for current market environments. Modern Portfolio Theory influences our asset allocation approach, but it traditionally does not incorporate specific consideration for the downside risk of portfolio components and the portfolio as a whole. The firm believes that greater attention should be focused on the potential for "tail risk"[[5]](#footnote-5) or "black swan"[[6]](#footnote-6) events when constructing asset allocation portfolios and delivering investment advice to clients. This is accomplished with scenario analysis and portfolio stress testing via a thorough and critical review of back-tested portfolio performance at various points in history, coupled with real-world observations and insights regarding any unique risk factors present in the contemporary market environment.

***Risk of Loss***

Our firm believes its strategy and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, there is no guarantee that an investment objective will be achieved. Past performance is not necessarily indicative of future results. Investing in securities involves risk of loss that clients should be prepared to bear.

While the following list is not exhaustive, we provide some examples of such risk in the following paragraphs, and we believe it is important that our clients review and consider each prior to investing. Note that some of these risks are associated with underlying holdings of a mutual fund or ETF (e.g., stocks or bonds, etc.).

*Catastrophic Risk*

Natural or man-made catastrophes can disrupt financial markets and impact securities prices. Examples include terrorist attacks, natural disasters, war, etc. Investment companies can use "exigent circumstances" or "force majeure" as a defense against claims of loss by investors.

*Commodities Risks*

Commodities refer to grains, metals, gas, electricity, et al, and considered speculative investing in some jurisdictions. Risks involving trading in commodities often refer to the uncertainties of future market values and of the size of the future income, caused by the fluctuation in the prices of commodities.

*Company Risk*

When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as *unsystematic risk* and can be reduced or mitigated through diversification.

*Country/Regional Risk*

World events such as political upheaval, financial troubles, or natural disasters will adversely affect the value of securities issued in foreign countries or regions. This risk is especially high in emerging markets where securities may be substantially more volatile and less liquid than securities in more developed countries. Because an ETF may invest a large portion of its assets in securities located in any one country or region, including emerging markets, its performance may be hurt disproportionately by the poor performance of its investments in that area.

*Currency Risk*

The risk of loss from fluctuating foreign exchange rates when a portfolio has exposure to foreign currency or in foreign currency traded investments is known as currency risk.

*Cyclical Analysis*

Cyclical analysis may experience risk due to an economic cycle that may not be as predictable as preferred; many fluctuations may occur between long term expansions and contractions. The length of an economic cycle may be difficult to predict with accuracy and therefore the risk of cyclical analyses is the difficulty in predicting economic trends. Consequently, the changing value of securities is affected.

*Dollar-Cost Averaging*

Due to systematic (periodic) investing, dollar-cost averaging is not designed for investors hoping to benefit from interim periods when prices are trending steadily upward and “miss the market,” or quickly adjusting to downward markets when an active account might move to a “cash position.” In addition, the systematic investing cycle necessary for dollar-cost averaging can result in higher transaction costs as compared to investing a lump sum.

*Emerging Markets Securities Risks*

Investments in emerging markets securities are considered speculative and subject to heightened risks in addition to the general risks of investing in foreign securities. Unlike more established markets, emerging markets may have governments that are less stable, markets that are less liquid, and economies that are less developed. In addition, the securities markets of emerging market countries may consist of companies with smaller market capitalizations and may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment; and possible restrictions on repatriation of investment income and capital. Foreign investors may be required to register the proceeds of sales, and future economic or political crises could lead to price controls, forced mergers, expropriation or confiscatory taxation, seizure, nationalization, or creation of government monopolies.

*Equity (Stock) Risk*

Common stocks are susceptible to general stock market fluctuations and to volatile increases or decreases in value as market confidence in and perceptions of their issuers change. If an investor held common stock or common stock equivalents of any given issuer, they may be exposed to greater risk than if they held preferred stocks and debt obligations of the issuer.

Preferred stocks can be affected by interest rate and liquidity risks (described in adjacent paragraphs). Also note that their dividend payment is not guaranteed; some are subject to a call provision, meaning the issuer can redeem its preferred shares on demand, and usually when interest rates have fallen.

*ETF Risks*

ETF risks include risks due to their underlying securities (e.g., stocks, bonds, etc.), and can be affected by risks such as market, currency, credit, political, interest rate, etc., that are described in adjacent paragraphs. The liquidity of the underlying stocks in the index can affect “ETF liquidity.” Liquidity risk can result from an insufficient number of “active participants” performing their duties as intermediaries and liquidity providers in the ETF market. “Spread risk” may also occur, which is the difference between the bid and the ask price of a security. Since ETF transactions are priced throughout the day and are traded on the exchanges like stocks, widening spreads may occur and have impact on certain portfolios or transactions. As with any security, if the ETF “fails,” the investor may lose their gains and invested principal. ETFs can carry additional expenses based on their share of operating expenses and certain brokerage fees. Indexed ETFs have the potential to be affected by “active risk;” a deviation from its stated index.

Leveraged and/or inverse ETFs attempt to achieve multiples of the performance of an index or benchmark **or** the opposite (inverse) of the performance of the tracked index or benchmark. This strategy attempts to **increase**profit from **upward drifting markets**, or hedge exposures to, downward drifting markets. There is a risk involving this strategy and part of the concern is due to leveraged and inverse exchange traded funds "reset" daily, which means they are designed to achieve their stated objectives on a daily basis. It is due to the compounding effect of daily adjustments that ETF performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of an underlying index or benchmark during the same period. This effect is potentially magnified during volatile markets. If effects contrary to the ETF strategy occur, losses may be significant; therefore, leveraged and/or inverse ETFs will be considered for portfolios either properly hedged or for clients able to sustain potentially higher risks. Leveraged and inverse ETFs are also not suggested where a "buy-and-hold" philosophy is important.

*Failure to Implement*

Our planning clients are free to accept or reject any recommendation that we make. While no advisory firm can guarantee future performance, no plan can succeed if it is not implemented. Clients who choose not to take the steps recommended in their plan may face an increased risk that their stated goals and objectives will not be achieved.

*Fixed Income Risks*

Various forms of fixed income instruments, such as bonds, money market or bond funds/ETFs may be affected by various forms of risk, including:

* *Call Risk* - During periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. The owner of the bond would then lose any potential price appreciation above the bond’s call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the owner’s income. Call risk is generally low for short-term bonds, moderate for intermediate-term bonds, high for long-term bonds, and high for high-yield bonds.
* *Credit Risk* - The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk.” Credit risk may also occur when an issuer’s ability to make payments of principal and interest when due is interrupted. Bondholders are creditors of an issuer and have priority over assets before equity holders (e.g., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.
* *Interest Rate Risk* - The risk that the value of the fixed income holding will decrease because of an increase in interest rates. The longer the maturity of the bond, the more sensitive its value is to changes in interest rates. Bond prices and interest rate changes are inversely correlated.
* *Prepayment Risk* - The prepayment risk is the premature return of principal on a fixed-income security. When principal is returned early on a security, future interest payments will not be paid on that part of the principal. The owner of the security would lose any price appreciation above the principal and be forced to reinvest the unanticipated proceeds possibly at lower interest rates, resulting in a decline of dividends, income, and returns. The risk of prepayment is most prevalent in fixed-income securities such as callable bonds and mortgage-backed securities.
* ***Reinvestment Risk* -** With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.
* *State Government and Municipal Securities Risk* - State government and municipal securities are subject to various risks based on factors such as economic and regulatory developments, changes or proposed changes in the federal and state tax structure, deregulation, court rulings and other factors. Repayment of state and municipal securities depends on the ability of the issuer or project backing such securities to generate taxes or revenues. There is also a risk that the interest on an otherwise tax-exempt municipal security may be subject to federal income tax. Unfavorable developments in any economic sector may have far-reaching ramifications on the overall state and municipal market.
* *US Government Securities Risk* - US government securities are subject to varying interest rates and inflation risks. Not all US government securities are backed by the full faith and credit of the US government. Certain securities issued by agencies and instrumentalities of the US government are only insured or guaranteed by the issuing agency or instrumentality, which must rely on its own resources to repay the debt. As a result, there is a risk these entities will default on a financial obligation.

*Foreign Securities Risk*

Investments in securities of foreign companies (including direct investments as well as investments through American Depository Receipts – *aka*. ADRs) can be more volatile than investments in US-based companies. Diplomatic, political, or economic developments, including nationalization or appropriation, could affect investments in foreign companies. Foreign securities markets generally have less trading volume and less liquidity than US markets. In addition, the value of securities denominated in foreign currencies, and of dividends from these securities, can change significantly when foreign currencies strengthen or weaken relative to the US dollar. Financial statements of foreign issuers are governed by different accounting, auditing, and financial reporting standards than the financial statements of US issuers and may be less transparent and uniform than in the United States. Thus, there may be less information publicly available about foreign issuers than about most US issuers. Transaction costs generally are higher than those in the US and expenses for custodial arrangements of foreign securities may be somewhat greater than typical expenses for custodial arrangements of similar US securities. Some foreign governments levy withholding taxes against dividend and interest income. Although in some countries a portion of these taxes are recoverable, the non-recovered portion will reduce the income received from the securities comprising an account’s portfolio. These risks may be heightened with respect to emerging market countries since political turmoil and rapid changes in economic conditions are more likely to occur in these countries.

*Fundamental Analysis*

The challenge involving fundamental analyses is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security’s value. If a security’s price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.

*Inflation Risk*

Also called *purchasing power risk*, is the chance that the cash flows from an investment will not be worth as much in the future because of changes in purchasing power due to inflation.

*Legal or Legislative Risk*

Legislative changes or court rulings may adversely impact the value of individual investments, market sectors, or the overall market.

*Liquidity Risk*

Liquidity risk is the inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (e.g., bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

*Macroeconomic Risk*

Macroeconomic risk derives from the behavior of industries and governments and the relationships between them rather than from individual companies. It concerns fiscal and monetary policies, trade and investment flows and political developments on a national and international scale. Business cycles, depressions, inflation, unemployment, interest rates, valuations, prices, and import/export volumes are all unpredictable and can lower or destroy investment portfolios. Central banks and governments often resort to inflationary policies and excessive fiat currency issuance through borrowing and printing. These macroeconomic maneuvers may possibly support or increase the nominal value of investment assets short term but lead to inflation and asset bubbles and later “crashes.”

*Market Risk*

This is also called systematic risk. In cases where markets are under extreme duress, many securities lose their ability to provide diversification benefits.

*Money Market Funds*

A money market fund is managed to maintain a stable net asset value (NAV) of $1 per share, the value of the fund may fluctuate, and you could lose money (termed “breaking the buck”). Money market funds are a type of mutual fund investing in high-quality, short-term debt securities, pay dividends that generally reflect short-term interest rates and seek to maintain a stable NAV per share (typically $1). An investment in a money market mutual fund is typically not insured or guaranteed by the Federal Deposit Insurance Corporation, National Credit Union Association, or any governmental agency.

*Mutual Funds*

As with ETFs, the risk of owning an open-ended, closed-ended, and fund-of-fund mutual funds are reflected in the underlying security(ies). Mutual funds are affected by risks such as market, interest rate, currency, credit, political, active risk, etc., as described in adjacent paragraphs. It is important to note that even “conservative” funds, such as a money market fund or fixed income fund, can and have lost their value below the principal amount invested. Mutual funds typically carry additional expenses based on their share of operating expenses and trading (brokerage) fees, which may result in the potential duplication of certain fees paid by the investor. Indexed mutual funds can also be adversely affected by “QDI ratios” that are described below. There are essentially nine main types of mutual fund shares classes, as well as sub-classes for some of these.

Some mutual funds are sold through brokerage firms and assess a commission (“load) in addition to their underlying fees earlier noted, while others are offered through investment advisers, retirement plans and other institutions. “No load” funds are also available to the public through brokerage firms, and they usually incur trading (brokerage) fees. If a client chooses to purchase a mutual fund on their own through a broker/dealer, they should consider the trading fees, internal operating costs, as well as potential commissions they pay through that executing broker or dealer. Our investment advisory firm and its personnel are not associated with a broker/dealer and are not compensated by a “loaded” fund.

*Options Risks*

Risks involving options trading are detailed in the Chicago Board Options Exchange’s “The Characteristics and Risks of Standardized Options” brochure that we will provide to the client upon request or may be found at their website at: http://www.cboe.com.

* *Covered Calls*: The downside loss potential of a covered call can be substantial, comes from owning the underlying shares in the equity (stock) position, and is limited only by the stock declining to zero. An increase in volatility has a negative financial effect on the covered call.
* *Protective Puts*: If the stock position declines significantly below the strike price by expiration, on assignment, the investor may be obligated to purchase shares well above their current price. Stock bought under this circumstance reflects a loss compared to its market price at the time. However, this loss would be unrealized if the investor holds the shares and is positioned to profit from an increase in their price. Any investor whose motivation in writing a cash-secured put is to buy underlying stock should be committed to a target price for a possible purchase and select a strike price accordingly.
* *Cash-Secured Equity Puts*: CSEPs are designed to generate short-term income or to purchase a desired stock at a favorable price. However, an investor should only consider a CSEP on a stock they are comfortable owning. If the price of the underlying stock drops substantially prior to the expiration date of the CSEP, losses could be significant -- but limited to the strike price down to zero (less the premium the investor received on the sale of the put). A significant increase in the price of the underlying stock will generally result in a profitable trade, but the profit will be limited to the premium received on the sale of the CSEP. While the investor would not lose money, they would lose an opportunity to profit from a long position in the stock. Also, if a put option goes “in the money,” the investor could be assigned at anytime.

*Passive Management*

If a portfolio employs a passive, efficient markets approach (e.g., Modern Portfolio Theory), there is a risk of generating lower-than-expected returns due to its broad diversification when compared to a portfolio more narrowly focused.

*Political Risk*

The risk of financial and market loss because of political decisions or disruptions in a particular country; also known as "geopolitical risk."

*Qualified Dividend Income Ratios*

While ETFs and mutual funds are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these investment vehicles or holding periods that do not benefit. Shorter holding periods, as well as commodities and currencies (possible underlying holding of an ETF or mutual fund), may be considered “non-qualified” under certain tax code provisions. We will consider a holding’s QDI when tax-efficiency is an important aspect of the client’s portfolio.

*Research Data*

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. While our firm makes every effort to determine the accuracy of the information received, we

cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

*Sequence of Return Risk*

The risk of receiving lower or negative returns due to early withdrawals from an investment account.

*Settlement Risk*

Also called *delivery risk*. The risk that one party will fail to deliver the terms of an investment contract with another party (contra-party) at the time of settlement. Settlement risk can be a risk associated with default, along with any timing differences in a settlement between the two parties.

*Small- and Mid-Capitalization Company Risk*

The small- and mid-capitalization companies in which an account may invest may be more vulnerable to adverse business or economic events than larger, more established companies. Investments in these small- and mid-sized companies may pose additional risks, including liquidity risk, because these companies tend to

have limited product lines, markets, and financial resources, and may depend upon a relatively small management group. Small- and mid-cap stocks, therefore, may be more volatile than those of larger companies. These securities may be traded over the counter or listed “off­-exchange.”

*Sociopolitical Risk*

The risk of instability in a region due to war, terrorism, pandemics, etc., might affect investment markets.

*Technical Analysis*

The risk of investing based on technical analyses and their supporting charts is that these analyses may not consistently predict a future price movement and the current price of a security may reflect all known information. Further, a particular change in the market price of a security may follow a random pattern and may not be as predictable as desired. This may occur due to analyst bias or misinterpretation, a sector analysis error, late recognition of a trend, etc.

# Item 9 - Disciplinary Information

Neither the firm nor its management has been involved in any material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our offering advisory business or its integrity.

# Item 10 - Other Financial Industry Activities and Affiliations

Our advisory firm and its management are not registered nor have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member firm or associated person of such a firm. We are not required to be registered with such entities, nor do they supervise our firm, its activities, or our associates. Neither our firm nor its management is or has a material relationship with any of the following types of entities:

* accountant or accounting firm
* another investment adviser, to include financial planning firms, municipal advisers, sub-advisers or third-party investment managers; nor do we recommend, select or utilize their services
* bank, credit union or thrift institution, or their separately identifiable departments or divisions
* insurance agency
* lawyer or law firm
* pension consultant
* real estate broker, dealer or adviser
* sponsor or syndicator of limited partnerships
* trust company, and
* issuer of a security, to include investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund).

Mr. Begeman is a Junior Investment Analyst with the Mutual of Omaha Insurance Company. This activity involves up to 90% of his time each month, including during traditional business hours. No advisory firm clients are encouraged to become investors in, or solicited on behalf of, Mutual of Omaha Insurance Company; therefore, our firm does not believe this activity presents a conflict of interest with its clients.

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

Optimized Investments LLC holds itself to a *fiduciary standard*, which means the firm and its associates will act in the utmost good faith, performing in a manner believed to be in the best interest of its clients. Our firm believes that business methodologies, ethics rules, and adopted policies are designed to eliminate or appropriately manage or mitigate any material conflicts of interest. We will disclose to our clients any material conflict of interest relating to the firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

***Code of Ethics***

We have adopted a Code of Ethics that establishes policies for ethical conduct for our personnel. Our firm accepts the obligation not only to comply with applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. For example, our firm policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others.

We periodically review and amend our Code of Ethics to ensure that they remain current, and we require firm personnel to annually attest to their understanding of and adherence to the firm’s Code of Ethics. A copy of the firm’s Code of Ethics is made available to any client or prospective client upon request.

***Privacy Policy Statement***

We respect the privacy of all clients and prospective clients (collectively termed “customers” per federal guidelines), both past and present. It is recognized that clients have entrusted our firm with non-public personal information, and it is important that both access persons and customers are aware of our firm policy concerning what may be done with that information.

The firm collects personal information about customers from the following sources:

• information provided to us complete their plan or investment recommendation

• information provided via engagement agreements and other documents completed in connection with the opening and maintenance of an account

• information customers provide verbally, and

• information received from service providers, such as custodians, about client transactions.

The firm does not disclose non-public personal information about our customers to anyone, except in the following circumstances:

• when required to provide services our customers have requested

• when our customers have specifically authorized us to do so

• when required during the course of a firm assessment (i.e., independent audit), or

• when permitted or required by law (i.e., regulatory examination, lawful subpoena, etc.).

If it is necessary to share client non-public personal information with an unaffiliated third party, we will inform affected clients in advance and ask permission granted via a signed statement. Unless this “opt-in” statement is signed, we will not share client non-public information with an unaffiliated third party.

To ensure security and confidentiality, we maintain physical, electronic, and procedural safeguards to protect the privacy of client information. Within our firm, we restrict access to client information to staff that need to know that information. All personnel and our service providers understand that everything handled in our office is confidential and they are instructed to not discuss a client’s information or situation with someone else unless they are specifically authorized in writing by the client to do so. This includes, for example, providing information to a family member.

The firm will provide its privacy policy at or prior to the initial meeting, thereafter on an annual basis, and at any time, in advance, if firm privacy policies are expected to change.

***Firm Recommendations and Conflicts of Interest***

Our associates are prohibited from borrowing from or lending to a client unless the client is an approved financial lending institution (e.g., bank, broker/dealer, etc.).

Neither our firm nor its associates are authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a “related person” (associates, their immediate family members, etc.) has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

Our firm and/or its related persons may buy or sell securities that are the same as, similar to, or different from, those we recommend to clients for their accounts. A recommendation made to one client may be different in nature or in timing from a recommendation made to a different client. Clients often have different objectives and risk tolerances. At no time will our firm or any related party receive preferential treatment over our clients. We mitigate this conflict by ensuring that we have policies and procedures in place to ensure that the firm or a related person will not receive preferential treatment over a client. In order to reduce or eliminate certain conflicts of interest involving personal trading (e.g., trading ahead of client recommendations or trades, “cherry picking,” trading on insider information, etc.), firm policy requires that we restrict or prohibit certain related parties’ transactions. Any exceptions must be approved in writing by our Chief Compliance Officer, and personal trading accounts are reviewed on a quarterly or more frequent basis. Please refer to Item 6 of accompanying Form ADV Part 2B brochure supplements for further details.

# Item 12 - Brokerage Practices

***Factors Used to Select Broker/Dealers for Client Transactions***

We have entered into an agreement with Charles Schwab & Co., Inc. (“Schwab”) to serve as custodian of record for our clients. Schwab and its affiliates are FINRA and SIPC member firms,[[7]](#footnote-7) as well as an SEC-registered broker/dealer. While we recommend that clients use Schwab as their custodian, the client must decide whether to do so, and open their account by entering into an account agreement directly with Schwab. Our firm does not technically open an account for a client, but we will assist our clients in doing so. If a client does not wish to place their account assets with Schwab, our firm may be able to manage the account at the client’s preferred custodian depending on that custodian’s account trading policies on what we term a “held-away” basis.

We seek to use a custodian who will hold client assets and execute transactions on terms that are overall advantageous when compared to other available providers and their services. Our firm considers a wide range of factors, including, among others, these:

* combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
* capability to execute, clear and settle trades (buy and sell securities for an account)
* capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
* breadth of investment products made available (stocks, bonds, mutual funds, ETFs, etc.)
* availability of investment research and tools that assist us in making investment decisions
* quality of services
* competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
* reputation, financial strength, and stability of the provider
* their prior service to us and our other clients, and
* availability of other products and services that benefit us, as discussed below.

When a client account is maintained at Schwab, the client is typically not charged separately for custody services and the custodian is compensated by charging a commission and/or other associated fees on trades that the custodian or their affiliate executes or that settle into that custodian’s account. Our custodian also provides “business services” for independent investment advisory firms like ours; providing our firm and its clients with access to its institutional brokerage -- trading, custody, reporting and related services -- many of which are not typically available to a custodian’s retail customers.

Our custodian also makes available various support services, some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. These support services are generally available to us on an unsolicited basis (we don’t have to request them) and at no charge to us if we keep a certain level of our clients’ assets in accounts at our custodian. If we have less than the desired amount of client assets at a custodian, they may charge us service fees that we pay from our operating account. A custodian’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets.

The investment products available through our custodian include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Our custodian’s services described above generally benefit all our clients.

Our custodian also makes available to our firm other products and services that benefit us but may not directly benefit each client’s account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both our custodian’s own and that of third parties. We may use this research to service all or some substantial number of our clients’ accounts, including accounts not maintained at our custodian. In addition to investment research, our custodian also makes available software and other technology that:

* provides access to client account data (such as duplicate trade confirmations and account statements)
* facilitates trade execution and allocates aggregated trade orders for multiple client accounts
* provides pricing and other market data
* facilitates payment of our fees from our clients’ accounts, and
* assists with back-office functions, recordkeeping, and client reporting.

Our custodian also offers other services intended to help us manage and further develop our business enterprise, such as:

* educational conferences and events
* technology, compliance, legal, and business consulting
* publications and conferences on practice management and business succession, and
* access to employee benefits providers, human capital consultants and insurance providers.

Our custodian may provide some of these services themselves. In other cases, they may arrange for third-party vendors to provide the services to us. Our custodian may also discount or waive its fees for some of these services or pay all or a part of a third party’s fees. The custodian may also provide us with other benefits such as occasional business entertainment of our personnel. Some of the noted tools and services made available by our custodian may benefit our advisory firm but may not directly benefit a client account. Certain tools, services or discounts made available to our firm by our custodian benefit our advisory firm but may not directly benefit each client account.

Our firm does not think these services are considered "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934; however, the availability of these services benefits our firm because we do not have to produce or purchase them as long as clients maintain assets in accounts at our recommended custodian. There is a conflict of interest since our firm has an incentive to select or recommend a custodian based on our firm’s interest in receiving these benefits rather than the client’s interests in receiving favorable trade execution. It is important to mention that the benefit received by our firm through participation in a custodian’s program does not depend on the amount of brokerage transactions directed to that custodian, and our selection of a custodian is primarily supported by the scope, quality, and cost of services provided as a whole, not just those services that benefit only our advisory firm. Further, we will act in the best interest of our clients regardless of the custodian we may select. Our firm conducts periodic assessments of any recommended service provider which generally involves a review of the range and quality of services, reasonableness of fees, among other items, in comparison to industry peers.

***Best Execution***

“Best execution” means the most favorable terms for a transaction based on all relevant factors, including those listed in the earlier paragraphs. We recognize our obligation in seeking best execution for our clients; however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected custodian’s transactions represent the best “qualitative execution” while taking into consideration the full range of services provided. Our firm will seek services involving competitive rates, but it may not necessarily correlate with the lowest possible rate for each transaction. We have determined having our portfolio management clients’ accounts trades completed through our recommended custodian to be consistent with our obligation to seek best execution of client trades. A review is regularly conducted regarding recommending a custodian to our clients in consideration of our duty to seek best execution.

Our firm may accept, in its discretion and following the custodian of record’s approval, the client’s transfer of preexisting retail mutual funds into their account. A transfer-in-kind of retail share class mutual funds may potentially benefit the client since they are able to invest in their portfolio more quickly, mitigate tax and/or short-term trading liabilities, and/or avoid contingent deferred sales charges (CDSC). Our firm regularly reviews accounts that have transferred different share classes of mutual funds and will convert share classes to a lower expense share class when we believe doing so would be beneficial to the client. In addition, if account assets remain in a retail share class and within a CDSC period, we may exclude those assets from our advisory fee until they have been converted to what we believe is a more appropriate share class.

While our firm has access to a broad range of securities through our custodian, it is a finite number. In addition, not all investment managers (mutual funds), share classes, etc., are represented at each custodian. Due to these normal and customary limitations, not all portfolio holdings will be readily available, least expensive, best performing, etc. It is an unrealistic expectation for an investor to maintain a premise otherwise.

***Directed Brokerage***

Not all investment advisers require their clientsto direct brokerage, nor do we think our operational relationship with our custodian to be defined as “directed brokerage” per common industry practices. While our internal policy and operational relationship with our custodian necessitates client accounts custodied with them to have trades executed per their order routing requirements, we do not direct our custodian as to which executing broker should be selected for our clients’ trades, whether that is an affiliate of a preferred custodian or another executing broker of the custodian’s choice. As a result of our custodian’s own trade execution policies, however, a client may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices on transactions than might otherwise be the case. Since we routinely recommend a particular custodian to our clients, and that custodian may choose to use the execution services of its broker affiliate for some or all account transactions, there is an inherent conflict of interest involving our recommendation since our advisory firm receives various products or services earlier described. Note that we are not compensated for trade routing/order flow, nor are we paid commissions on such trades. We do not receive interest on an account’s cash balance.

Client accounts maintained at our preferred custodian under our firm’s account master are unable to direct brokerage. As a result, they may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case if they had the opportunity to direct brokerage.

For accounts maintained at a custodian of the client’s choice (e.g., held-away accounts), the client may choose to request that a particular broker is used to execute some or all account transactions. Under these circumstances, the client will be responsible for negotiating, in advance of each trade, the terms and/or arrangements involving their account with that broker, and whether the selected broker is affiliated with their custodian of record or not. We will not be obligated to seek better execution services or prices from these other brokers, and we will be unable to aggregate transactions for execution via our custodian with

other orders for accounts managed by our firm. As a result, the client may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case.

***Aggregating Securities Transactions***

Trade aggregation involves the purchase or sale of the same security for several clients/accounts at approximately the same time. This may also be termed “blocked” or “batched” orders. Aggregated orders are effected in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among multiple client accounts should there be differences in prices, brokerage commissions or other transactional costs that might otherwise be unobtainable through separately placed orders. Our firm may, but is not obligated, to aggregate orders, and our firm does not receive additional compensation or remuneration from aggregated transactions.

Transaction charges and/or prices may vary due to account size and/or method of receipt. To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which a related person may invest, the firm will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.*,or similar guidance if the jurisdiction in which the client resides provides such direction. A copy of the referenced No Action Letter will be provided upon request.

Please note that when trade aggregation is not allowed or infeasible and necessitates individual transactions (e.g., withdrawal or liquidation requests, odd-lot trades, non-discretionary accounts, etc.), an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

# Item 13 - Review of Accounts

***Scheduled Reviews***

Client financial planning reviews after delivery of their initial plan are initiated by the client and are recommended on an annual basis. Reviews will be conducted by Trevor Begeman, President and Chief Compliance Officer, and typically involve analysis and possible revision of our previous financial plan or investment allocation. A copy of revised plans or asset allocation reports in digital format will be provided to the client.

Our portfolio management engagement accounts are reviewed on a monthly or more frequent basis by Mr. Begeman. Account reviews with clients are completed by Mr. Begeman, and we prefer that they occur at least on an annual basis. A copy of revised plans or asset allocation reports in digital format are provided to the client.

***Interim Reviews***

Clients should contact our firm for additional reviews when it is anticipated, or they have experienced changes in their financial situation (i.e., changes in employment, an inheritance, the birth of a new child,

etc.), or if the client prefers to change requirements involving an investment account. Non-periodic reviews are conducted by Mr. Begeman. A copy of revised plans or asset allocation reports in digital format will be provided to the client upon request.

Additional portfolio reviews by Mr. Begeman are often triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector. A portfolio is reviewed for an additional holding or when an increase in a current position is under consideration. Account cash levels above or below what we deem appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, could trigger a review.

***Client Reports***

Since account statements and confirmations are the responsibility of the account custodian, the client will receive their confirmations and account statements sent to them directly from mutual fund companies, transfer agents, custodians or brokerage companies where their investments are held. We urge each client to carefully review these account statements for accuracy and clarity, and to ask questions when something is not clear.

Our clients may receive quarterly written performance reports from our firm that have been generated from our custodian’s data systems; however, we do not create our own performance reports. Clients are urged to carefully review and compare account statements that they have received directly from their custodian of record with any report they may receive from any source that contains investment performance information.

# Item 14 - Client Referrals and Other Compensation

Please refer to Items 10 and 12 for information with respect to our relationship with institutional investment managers (sub-advisers), as well as our preferred custodian, and the conflicts of interest they present.

If we receive or offer an introduction to a client, we do not pay or earn referral fees, nor are there established *quid pro quo* arrangements. Each client retains the option to accept or deny such referral or subsequent services.

# Item 15 - Custody

Client assets will be maintained by an unaffiliated, qualified custodian. Assets are not held by our firm or any associate of our firm. In keeping with this policy involving our client funds or securities, our firm:

* restricts the firm or an associate from serving as trustee or having general power of attorney over a client account
* prohibits any associate from having authority to directly withdraw securities or cash assets from a client account. Although we may be deemed to have “constructive custody” of an account since we may request the withdrawal of advisory fees, we will only do so through the engagement of a qualified custodian maintaining the client’s account, via prior written approval of the client, and following our delivery of our written notice (invoice) in jurisdictions where required
* does not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm
* will not collect advance fees of $500 or more for services that are to be performed six months or more into the future
* prohibits an associate to have knowledge of a client’s account access information (i.e., online 401(k), brokerage or bank accounts), and
* does not allow the use of standing letters of authorization (SLOAs) for a client account.

The client’s custodian of record will provide them with their account transaction confirmations and account statements, which includes debits and credits, as well as our firm’s advisory fee for that period. Statements are provided on at least a quarterly basis or as transactions occur within the account. Our firm will not create an account statement for a client nor serve as the sole recipient of an account statement.

Schwab will provide the client with investment account transaction confirmations and account statements, which will include all debits and credits as well as our firm’s advisory fee for that period (please see Item 5 for more information about deducting our fees from your account). Statements are provided by the account custodian on at least a quarterly basis or as transactions occur within the client’s account. Our firm will not create a separate report in lieu of the custodian’s account statement, nor will our firm serve as the sole recipient of a client account statement. Clients should compare their custodian statement to invoices received from our advisory firmand notify the firm promptly of any discrepancies.

Clients are reminded that if they receive a report from any source that includes investment performance information, they should review and compare the report with their account statements that they have received directly from their custodian of record.

# Item 16 - Investment Discretion

Our firm generally conducts its portfolio management engagements on a discretionary basis. Via limited power of attorney signed by the client, discretionary authority allows our firm to determine the securities to be bought or sold for a client’s account and the amount of securities to be bought or sold for a client’s account without requiring the client’s prior authorization for each transaction in order to meet stated investment objectives. This authority will be granted through the client’s execution of both our engagement

agreement and the selected custodian’s account documents. Note that the custodian will specifically limit our firm’s authority within an account to the placement of trade orders and the request for the deduction of our advisory fees.

Our firm prefers not to manage client accounts on a non-discretionary basis, but we may accommodate such requests on a case-by-case basis. Non-discretionary account authority requires a client’s ongoing prior approval involving the securities to be bought or sold for a client’s account and the amount of securities to be bought or sold for a client’s account, including portfolio rebalancing. Non-discretionary engagement clients are required to execute our firm’s client services agreement that describes our limited account authority, as well as the custodian of record’s account document that includes their limited power of attorney form or clause. It is important to note that due to a client’s requirement for trading pre-approval, that client must make themselves continually available and keep our firm updated on their contact information so that instructions can be efficiently and timely effected on their behalf. In addition, non-discretionary accounts are generally unable to be aggregated (see Item 12) and may therefore be assessed higher trading fees or receive less favorable prices than those accounts where trade aggregation has occurred.

We will account for any reasonable restrictions involving the management of the client’s account (i.e., avoiding international holdings, etc.). It remains the client’s responsibility to notify us if there is any change in their situation and/or investment objective so that we may reevaluate previous investment recommendations or portfolio holdings. Our clients retain the right to amend our account trading authority in writing.

# Item 17 - Voting Client Securities

Clients periodically receive proxies or other similar solicitations sent directly from the custodian of record or transfer agent. If our firm receives a duplicate copy, we do not forward these or any similar correspondence relating to the voting of clients’ securities, class action litigation, or other corporate actions.

Our firm does not vote proxies on behalf of its clients, including accounts served by our firm on a discretionary basis. We do not offer guidance on how to vote proxies, nor will we offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation, or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise, or monitor class action or other litigation involving client assets. We will answer limited questions during a scheduled meeting with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or the issuer’s legal representative.

Each account holder will maintain responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by them shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to their holdings. Clients should consider contacting the issuer or their legal counsel involving specific questions they may have with respect to a particular proxy solicitation or corporate action.

# Item 18 - Financial Information

Our advisory firm will not take physical custody of client assets, nor do we have the type of account authority to have such control. Fee withdrawals must be done through a qualified intermediary (e.g., custodian of record), per the client’s prior written agreement.

Engagements with our firm do not require that we collect fees from a client of $500 or more for our advisory services that we have agreed to perform six months or more into the future.

Neither our firm nor its management serve as general partner for a partnership or trustee for a trust in which the firm’s advisory clients are either partners of the partnership or beneficiaries of the trust.

The firm and its management do not have a financial condition likely to impair its ability to meet commitments to clients, nor has the firm and its management been the subject of a bankruptcy petition.

Due to the nature of our firm’s advisory services and operational practices, an audited balance sheet is not required nor included in this brochure.

# Item 19 - Requirements for State-Registered Advisers

Principal Executives and Management Persons - Trevor C. Begeman. Please see Item 4 of this brochure and the cover page (Item 1) of the Form ADV Part 2B supplement that accompanies this firm brochure.

Other Business Activities - Mr. Begeman is a Junior Investment Analyst with the Mutual of Omaha Insurance Company. Please refer Item 10 of this firm brochure and Items 2 and 4 of his accompanying Form ADV Part 2B brochure supplement for details.

Performance-Based Fees - Please see Item 6 of this firm brochure and Item 5 of the accompanying Form ADV Part 2B brochure supplement for Mr. Begeman. Neither the firm nor its management is compensated based on performance-based fees. It is perceived that performance-based compensation may create an incentive for an adviser to recommend an investment that may carry a higher degree of risk to a client, an activity contrary to the firm’s business practices.

Material Disclosure Matters involving Firm Management - Please refer to Item 9 of this firm brochure and Items 3 and 7 of the accompanying Form ADV Part 2B brochure supplement for Mr. Begeman. The firm’s management has not been the subject of an award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:

(a) an investment or an investment-related business or activity

(b) fraud, false statement(s), or omissions

(c) theft, embezzlement, or other wrongful taking of property

(d) bribery, forgery, counterfeiting, or extortion, or

(e) dishonest, unfair, or unethical practices.

Firm management has not been the subject of an award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

(a) an investment or an investment-related business or activity

(b) fraud, false statement(s), or omissions

(c) theft, embezzlement, or other wrongful taking of property

(d) bribery, forgery, counterfeiting, or extortion, or

(e) dishonest, unfair, or unethical practices.

Material Relationship with an Issuer of a Security - Please refer Item 10 of this firm brochure and Item 4 of the accompanying Form ADV Part 2B brochure supplement for Mr. Begeman. Firm management does not have a material relationship with the issuer of a security.

# Form ADV Part 2B - Brochure Supplement (Trevor C. Begeman)

**Item 1 - Cover Page**

**Optimized Investments LLC**

Registered Investment Adviser

CRD # 330713

Optimized Investments LLC

115 4th St. SE

Warner, SD 57479

Tel: 605-230-1075

Website: optimizedinvestments.site

Email: trevor.begeman@optimizedonvestments.site

**Trevor C. Begeman**

President/Chief Compliance Officer

Investment Adviser Representative

Managing Member

[CRD # 7907961]

Form ADV Part 2B

Brochure Supplement

May 31, 2024

**This brochure provides information about Trevor Begeman that supplements the Optimized Investments LLC Form ADV Part 2A firm brochure. You should have received a copy of that brochure. Please contact Trevor Begeman at 605-230-1075 if you did not receive the full brochure or if you have any questions about the contents of this supplement. Additional information about Trevor Begeman is available on the Securities and Exchange Commission’s (SEC) website at www.adviserinfo.sec.gov under CRD # 7907961.**

**Item 2 - Educational Background and Business Experience**

Regulatory guidance requires the firm to disclose relevant post-secondary education and professional training for each principal executive and associate of the firm, as well as their business experience for at least the most recent five years.

***Principal Executive Officer***

*President/Chief Compliance Officer/Investment Adviser Representative/Managing Member*

**Trevor Charles Begeman**

Year of Birth: 1999 CRD Number: 7907961

*Educational Background*

Master of Science (Finance), University of Nebraska-Lincoln; Lincoln, NE (2022)

Bachelor of Science (Business Economics), South Dakota State University; Brookings, SD (2021)

Uniform Investment Adviser Law Examination/NASAA Series 65 (2024) 1

*Business Experience*

Optimized Investments LLC (03/2024-Present)

Warner, SD

President/Managing Member (03/2024-Present)

Chief Compliance Officer/Investment Adviser Representative (05/2024-Present)

Mutual of Omaha Insurance Company (01/2023-Present)

Omaha, NE

Junior Investment Analyst

Mutual of Omaha Insurance Company (01/2022-12/2022)

Omaha, NE

Intern

University of Nebraska-Lincoln (08/2021-07/2022)

Lincoln, NE

Graduate Student

Unemployed (06/2021-07/2021)

Lincoln, NE

South Dakota State University (08/2018-05/2021)

Brookings, SD

Undergraduate Student

Pig Improvement Company (07/2019-12/2020)

Mound City, SD

Production Technician

1 North America Securities Administrators Association (NASAA) examinations are "criterion based;" candidates who pass the exam are considered to have met the minimum competency level. The completion of a securities industry examination does not constitute or imply a person is “approved” or “endorsed” by a securities regulatory organization.

**Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose certain material facts about its associated personnel regarding any legal or disciplinary events, including criminal or civil action in a domestic, foreign, or military court, or any proceeding before a state, federal or foreign regulatory agency, self-regulatory organization, or

suspension or sanction by a professional association for violation of its conduct rules material to the evaluation of each officer or a supervised person providing investment advice. Trevor Begeman has not been the subject of any such event.

**Item 4 - Other Business Activities**

Investment adviser representatives are required to disclose outside business activities that account for a significant portion of their time or income, or that may present a conflict of interest with their advisory activities.

Neither Mr. Begeman nor Optimized Investments LLC is registered, or has an application pending to register, as a registered representative of a FINRA or NFA broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading adviser. He does not receive commissions, bonuses or other compensation based on the sale of securities, including that as a registered representative of a broker/dealer or the distribution or service (“trail”) fees from the sale of mutual funds.

Mr. Begeman is a Junior Investment Analyst with the Mutual of Omaha Insurance Company. This activity involves up to 90% of his time each month, including during traditional business hours. No advisory firm clients are encouraged to become investors in, or solicited on behalf of, Mutual of Omaha Insurance Company; therefore, our firm does not believe this activity presents a conflict of interest with its clients.

**Item 5 - Additional Compensation**

Neither our advisory firm nor Mr. Begeman is compensated for advisory services involving performance-based fees. Firm policy does not allow associated persons to accept or receive additional economic benefit, such as sales awards or other prizes, for providing advisory services to firm clients.

**Item 6 - Supervision**

Trevor Begeman serves as the firm’s Chief Compliance Officer. Because supervising oneself poses a conflict of interest, the firm has adopted policies and procedures to mitigate this conflict and Mr. Begeman will adhere to those policies and procedures. Questions relative to the firm, its services or this brochure are made to the attention of Mr. Begeman at 605-230-1075.

Additional information about the firm, other advisory firms, or an associated investment adviser representative is available on the Internet at www.adviserinfo.sec.gov. A search of this site for firms can be accomplished by firm name or a unique firm identifier, known as an IARD or CRD number. The IARD number for Optimized Investments LLC is 330713. The business and disciplinary history, if any, of an investment advisory firm and its representatives are also obtained by calling the securities commission in the state where the client resides. If a representative is or has been associated as registered representative of a Financial Industry Regulatory Authority (FINRA) member broker/dealer, that representative’s information may also be found at <https://brokercheck.finra.org/>. If a representative is or has been an associated person of a National Futures Association (NFA) member firm, that person’s information may also be found at <https://www.nfa.futures.org/BasicNet>.

**Item 7 - Requirements for State-Registered Advisers**

There have been neither awards nor sanctions or other matter where Mr. Begeman or Optimized Investments LLC has been found liable in an arbitration, self-regulatory or administrative proceeding. Neither Mr. Begeman nor our advisory firm has been the subject of a bankruptcy petition or other reportable financial matter.

1. The term “assets under management” and rounding per the *General Instructions for Part 2 of Form ADV*. [↑](#footnote-ref-1)
2. This Form ADV Part 2A firm brochure serves as our ERISA §408(b)(2) disclosure per US Department of Labor guidance. [↑](#footnote-ref-2)
3. We do not retain debit/credit card data. For an explanation of the term “PCI,” the PCI Security Standards Council, and comprehensive standards to enhance payment card data security, go to https://www.pcisecuritystandards.org/security\_standards/index.php [↑](#footnote-ref-3)
4. Periodic account value variances between the firm’s invoice and custodian statement (beyond the firm’s control) may occur due to late trade settlement, dividend distribution, etc., requiring adjusted transaction reporting from the custodian of record. [↑](#footnote-ref-4)
5. **Tail Risk** is a form of portfolio risk that arises when the possibility that an investment will move more than three standard deviations

   from the mean is greater than what is shown by a normal distribution. [↑](#footnote-ref-5)
6. A **Black Swan** is an unpredictable event that is beyond what is normally expected of a situation and has potentially severe

   consequences. Black swan events are characterized by their extreme rarity, severe impact, and the widespread insistence they were

   obvious in hindsight. [↑](#footnote-ref-6)
7. Our advisory firm is not, nor required to be, a Securities Investor Protection Corporation (SIPC) member. Clients may learn more about the SIPC and how it serves member firms and the investing public by going to their website at http://www.sipc.org. [↑](#footnote-ref-7)