



# Abbilon Investments

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## Client Brochure

Form ADV Part 2A  
March 30, 2019

This brochure ("Brochure") provides information about the qualifications and business practices of Abbilon LLC ("Abbilon," "Abbilon Investments," or the "Firm"), an SEC registered investment adviser. Registration does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at [admin@abbilon.com](mailto:admin@abbilon.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

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## Item 2. Material Changes

The following material changes have occurred since the initial filing of our Form ADV:

- The Firm is now using “Interactive Brokers, LLC” as custodian or broker dealer for clients, unless Clients specifically request or hire a different broker or custodian for their assets.
- The fee structure has changed. Previously, we were charging an annual Service Fee of 1.00% of assets under management, which including trading commissions. The fee was waived whenever a client’s performance for a given year was negative. The new fee structure is as follows:
  - We charge a management fee of up to 1.00% of assets under management, but the fee does not include trading commissions or other fees charged by the Client’s broker or custodian.
  - The management fee is waived if the Client’s annual total return is less than the total return of the Standard & Poor’s 500 Index, as reported in the Wall Street Journal.

## Item 4. Advisory Business

### A. Overview

Abbilon LLC (“Abbilon,” “Abbilon Investments,” “We,” or the “Firm”) is an investment adviser registered with the U.S. Securities and Exchange Commission (the “SEC”). We offer investment management services to individuals, institutions, and governments (individually, a “Client” and collectively, “Clients”) exclusively online.

Our Mission is to all Clients, regardless of income or education levels, achieve financial independence. We pursue our mission by investing our clients’ assets in diverse portfolios of individual stocks. Unlike most investment advisers, we do not recommend investing in Actively Management Mutual Funds, Exchange Traded Funds (“ETFs”) or Index Funds.

- **We Recommend and Manage Portfolios Comprised Primarily of Individual Stocks.** We believe direct ownership of several good companies, in diverse industries and regions, is the best way to earn superior investment returns over long periods.
- **If a Client’s Annual Total Return is Lower than that of the S&P 500 Index, we will reimburse the Client’s management fee for that year.** We charge Management Fee of 1.00% or less of the market value of your account (charged quarterly in arrears). This Management Fee is separate and distinct from any trading commissions or other fees your Broker may charge.
- **No Account Minimums.** We do not require a minimum balance to start or maintain your account. You can start investing with any amount and add more anytime, from anywhere. However, we may not be able to implement your investment plan adequately if your account balance is below \$5,000. In such cases, we may start investing your money in much fewer stocks than recommended, which will make your portfolio riskier.

Our founder and principal owner is Oriosto Medrano. We began offering our services to the public in November 2017. As of March 30, 2019, the Firm’s assets under management are \$25,163.96.

## B. Advisory Services

We offer ongoing discretionary investment management for our Clients. In addition, We provide investment research and general personal finance and retirement planning advice through our blogs and financial publications.

### How Our Services Work:

1. Answer a Few Questions	2. Open an Account	3. Let Us Invest for You
Based on your financial profile, our Software recommends an investment plan consisting of the 15 to 25 companies (a model portfolio) best suited your financial goals.	If you accept our recommendation, simply open a brokerage account granting us discretionary authority to manage your money.	We buy shares of the recommended companies when prices are lower than intrinsic value and sell then when they are over value or better opportunities arise.

### How We Choose Your Investments

At Abbilon, We don't believe in indexes or efficient markets. We evaluate thousands of companies and choose only those companies that meet our strict quality and value criteria. If none are available, we don't mind holding cash until they do. Our software measure companies objectively based on reported numbers and provides a list of potential candidates. Using our human judgment, We evaluate the intangibles and select the best group. Here's how it works:

1	2	3
Each portfolio is comprised primarily of common stocks of publicly traded companies.	Each company is selected using computer technology and proprietary mathematical models (together, the "Software") that measure each company's fundamental quality, financial strength and intrinsic value to come up with a list of the best investment opportunities available according to our models.	A person reviews the Software's recommendations, evaluates each company's intangibles such as competition, management, and business prospects, and selects the 15 to 25 companies that, as a group, offer the best safety and high returns potential.

### C. What You Should Know About Working with an ONLINE ONLY Adviser.

Your relationship with us will be strictly online. That is, we will communicate with you only through our website, emails, and other forms of electronic communications. Before hiring us as your investment adviser, therefore, please remember that:

- i. You must acknowledge your ability and willingness to conduct business with Abbilon electronically via internet or e-mail. Abbilon does make individual representatives available to discuss investments or servicing matters with any Client.
- ii. We recommend investment portfolios to you based solely on the information You provide to us online. We do not verify whether the answers you provide are accurate or complete. Since we rely on the information you provide to make investment selections for you, You must promptly notify us of any changes in your financial situation or investment objectives.
- iii. The investment portfolios we recommend are comprised of a relatively small number of individual stocks and cash. We believe this is the best way to earn superior returns over time. However, concentrated portfolios can be more volatile than portfolios comprised of mutual funds or many different securities.
- iv. We use proprietary quantitative models to rate each company's fundamental quality, financial safety, and intrinsic value. Each portfolio is comprised of the group of stocks which, according to our judgment, offers the best combination of protection against permanent loss of capital (regardless of past volatility) and investment returns.
- v. You must agree to receive all Account information and Account documents (including this Brochure), and any updates or changes to same, through Abbilon's website and Abbilon's electronic communications.
- vi. Unless noted otherwise on [www.abbilon.com](http://www.abbilon.com) or within this Brochure, Abbilon's advisory service, the signature for the Account Agreement, and all documentation related to the advisory services are managed electronically.
- vii. We do not allow Clients to select their own investments or set investment restrictions.

### D. How We Tailor Our Advisory Services

We offer eight different risk-optimized investment portfolios of individual stocks. Each portfolio is designed to meet the investment needs and goals of individuals within a certain age

range and net worth. Our Software assigns one of those portfolios to you based on the answers you provide to our online investor questionnaire.

Unlike other advisers, we do not believe in so called “risk tolerance” levels (much less asking the client what her or his “risk tolerance” is). All our portfolios are conservative: the primary objective is to avoid permanent losses; earning a profit comes second. To pursue this strategy, we will buy assets on your behalf only when, based on the facts and reasonable assumptions, we conclude there is a wide margin between current price and intrinsic value. This approach, in our judgment, offers the best combination of risk protection and potential for high returns regardless of your “risk tolerance.”

Therefore, the primary difference between the portfolios recommended to clients of different ages is the stage in the life cycle of the companies comprising the portfolios. For example, the portfolio we recommend to persons between the ages of 18 and 28 might be comprised primarily of companies in the early stages of their life cycle (i.e., new, small, high growth companies which reinvest their earnings instead of paying dividends). The portfolios we recommend to persons approaching retirement, on the other hand, are comprised primarily of large, mature companies that pay dividends.

Diversification is another tool we use to manage the level of risk in your portfolio. We use proprietary mathematical models to help us select companies different, relatively uncorrelated industries and regions. Proper diversification can help reduce the level of risk and volatility (which are not the same), but it cannot guarantee returns or avoidance of loss.

We do permit clients to choose their own investments or to restrict the type of investments we choose for them. All investments we select for you must meet our safety, fundamental quality, and intrinsic value requirements.

## **E. Investment Minimums**

There are not minimum investment requirements to start or maintain an account. However, because our investment portfolios consist primarily of direct ownership in company stocks, while your account balance is low, we may not be able to implement your investment plan as recommended. For example, instead of buying shares in 15 to 25 companies, we may have to start by owning 1 or 2 and gradually acquire other companies as your balance grows.



## F. Asset Under Management

As of March 30, 2019, we manage \$25,163.96 on a discretionary basis.

## Item 5. Fees and Compensation

### A. Management Fee

As compensation for services, Abbilon charges a management fee of 0.25% of the market value of each account per quarter (1.00% annually). This Management Fee is calculated quarterly in arrears, based on the net market value of the Client's Account at the end of each quarter (i.e., 0.25% quarterly) using the closing prices of each security on the last trading day of the quarter. The Management Fee is deducted directly from the Client's Account.

### B. Fee Waived When You Don't Beat the Market

Abbilon will reimburse the Management Fee for any full year period where your account's total return is below that of the Standard and Poor's 500 Index, as reported in the Wall Street Journal. This Fee Waiver does not apply when the account is terminated before the current full year period is completed.

### C. Custodian or Brokerage Fees

Clients are required to establish brokerage accounts at a qualified custodian ("Broker" or "Custodian") which accepts Abbilon LLC as the designated investment advisor for the Client. The Broker will charge Client applicable fees such as trading commissions and other fees according to the Broker's own fee schedule. Those fees are separate and apart from the Management Fee Abbilon charges.

Currently, Abbilon has a working relationship with Interactive Brokers, LLC ("IBRK"), a member NYSE, FINRA, SIPC and regulated by the SEC and the Commodity Futures Trading Commission. IBRK is headquartered at One Pickwick Plaza, Greenwich, CT 06830. Interactive Brokers is not affiliated with Abbilon. Pursuant to this relationship, all Clients opening accounts with Abbilon may be directed to the IBRK website to open accounts, view balances and conduct other transactions such as deposit or withdraw money from their Abbilon Managed account at IB. All Client assets are held in custody at IBRK unless specifically designated by Client to be held in custody with another Broker or Custodian.

The Client authorizes Abbilon LLC to debit the advisory fee directly from the Client's investment account at the designated Broker. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance.

#### **D. Cancellations and Terminations**

Clients may cancel or terminate their account any time without cause and without incurring any penalties or additional fees. Clients may also withdraw all or part of their money any time without incurring any penalties or termination fees (except for IRA which may be subject to government penalties for early withdrawals).

When Clients terminate or cancel an account, We will attempt sell the securities held in the account as soon as practicable at prevailing market prices, using reasonable efforts to obtain best execution. Under normal conditions, transferring of the Client's funds or securities to their bank account or to another custodian may take 3 to 5 business days. Under certain circumstances, the transfer may take up to 10 days.

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

Abbilon does not charge performance-based fees. Our advisory fees are only charged as disclosed above in Item 5.

### **Item 7. Types of Clients**

We offer investment management services primarily to individuals. Individuals can open taxable investment accounts as well as Individual Retirement Arrangements (IRAs), both traditional and Roth.

Institutional investors, including, corporations, pensions funds, endowments, trusts, estates, and charitable organizations, are welcome. If you are an institutional investor interested in our services, please email us at [admin@abbilon.com](mailto:admin@abbilon.com).

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

### Our Investment Strategy

Our investment strategy is quantitative and value oriented. It is designed to produce exceptional returns for our clients by strictly adhering to mathematical and statistical methods which are in turn based on value investing principles.

Value Investing, in simplistic terms, is based on the belief that the best way to earn superior investment returns is to buy assets at significant discounts from their true worth. There are many strategies within this philosophy. In our case, the strategy consists of buying shares (stocks) of “good” companies at significant discounts from their “intrinsic value.” A “good company” is one that, according to our quantitative models and fundamental or “qualitative” analysis, possesses the following characteristics:

- i. **Sustainable Earning Power.** Its products or services are highly desirable or necessary and difficult to forgo or substitute. In other words, it enjoys strong competitive advantages.
- ii. **High Profit Margins:** Its normal annual returns on invested capital are significantly above its cost of capital.
- iii. **Good Growth Prospects:** It operates in one or more industries with significant room for growth (as opposed to declining or stagnant industries).
- iv. **Strong Financial Condition:** the company has the financial means to withstand temporary business downturns.
- v. **A Culture of Innovation:** The company’s culture and management encourage continuous innovation.

“*Intrinsic Value*” is the present value of all the cash a business will return to its owners during its remaining life. Since the future is unpredictable, the best we can do is estimate future earnings based on the historical record of the company and any assumptions one can reasonably make thereof. When making assumptions about the future, human beings tend to be overly influenced by emotions and biases. That’s why, at Abbilon, we use computers to implement mathematical and statistical models in determining the intrinsic value of companies.

Even when we have a reasonable estimate of future earnings, intrinsic value calculations are both imprecise and changeable. Besides the fact that reasonable people disagree as to what a

reasonable discount rate is, there are many factors which can negatively impact the future cash flows of a business and thus reduce its intrinsic value. – i.e., new competition, technology, regulation, or changes in customers' preferences. To guard these risks, we recommend buying only when prices are significantly below our estimates of intrinsic value. This “Margin of Safety” offers some protection against our errors, negative changes, and other vicissitudes of human endeavors.

To illustrate the concept of “margin of safety,” suppose we determine XYZ Corp meets our quality requirements. And say expect it will earn \$10 dollars per share every year for the next 50 years. Assuming the return we'd be willing accept for investing your money in such a company is 8%, the intrinsic value of one XYZ Corp share would be about \$122.00. In this example, we'd be willing to buy XYZ Corp shares ONLY when the price is significantly below \$122. Once the prices rise to \$122, we'd sell it.

Even buying with a margin of safety does not guarantee superior results. To improve the likelihood of investment success, we invest your money in a small, but diverse group of companies. Our investment portfolios are typically comprised of between 15 to 25 companies in unrelated industries and/or with different economic characteristics. Diversifying your investments in companies that operate in unrelated industries can reduce the potential for loss.

Given the increasing interconnectedness of the world economy, finding undervalued, yet uncorrelated investments at the same time is becoming more difficult, but it remains our objective.

Our investment strategy is designed to beat the stock market (as measured by the Standard and Poor's 500 Index) over periods of five years or longer. Our investment strategy (known as “value investing”) is based on common sense, logic, and a long history of success. If you buy low and sell high, as the strategy requires, returns should be higher and risk lower. However, history also shows that most people have difficulty following this investment strategy for extended periods. We believe the reason is mainly psychological – human beings seem hard-wired to focus on the short term and to follow popular opinions. To implement our strategy successfully, we must buy when stocks are significantly undervalued; but companies become significantly undervalued when there is some economic, geo-political, or company specific crisis. Unfortunately, to generate superior investment returns over a long period of years, we must buy when most people are selling, sell when most people are buying, and hold positions contrary to popular opinion for long periods of years. Before investing with us, please consider whether those are emotional pressures you are willing to withstand.

## **Risk of Loss**

Whenever you invest your money - whether in stocks, bonds, mutual funds, index funds or any other investment vehicle - you assume some level of risk. There are different types of risks and therefore different ways to manage or minimize those risks. The following brief descriptions are meant to explain the types of risks more commonly associated with the investment strategy we employ and the type of investment vehicles we use to implement it.

### **Volatility.**

The prices of stocks, bonds, mutual funds, and all other forms of investments change daily, hourly and by the minute. These frequent ups and downs is known as volatility. Typically, stocks are more volatile than bonds, and small stocks are more volatile than large stocks. One way to minimize volatility in a portfolio is to own many securities or even different types of securities. A portfolio comprised of 10 stocks usually has higher volatility (i.e., price swings are wider) than a portfolio comprised of 500 stocks. Also, a portfolio comprised by 70% stocks and 30% bonds is less volatile than a portfolio comprised of 100% stocks. Volatility is caused primarily by the differences of opinion among investors.

During periods of economic or political uncertainty, daily price swings become bigger. Many commentators, however, draw an incorrect conclusion from observing spikes in volatility: They say small investors have no chance in a market now dominated by the erratic behavior of the big institutions and hedge funds. This conclusion is dead wrong. Such markets are ideal for any investor - small or large - so long as he sticks to his investment strategy. Volatility, often caused by investors who speculate irrationally with huge sums, offers more chances for well-informed long-term investors to make intelligent investment moves.

Abilon clients should expect to experience considerable volatility in their quarterly and annual results. That's assured by the general volatility of the stock market, by the concentration of our portfolios in relatively few companies, and by our preference for small and misunderstood companies. We not only accept this volatility but welcome it: A tolerance for short-term swings improves our long-term prospects. In football parlance, we measure our performance by points scored, not yards ran.

## **Permanent Loss of Value.**

Another type of risk, and the one we believe is more significant, is the risk of permanent loss of value. The risk that a business will lose its ability to generate cash at a profit due to competition, changes in client preferences, regulations, or any other reason. For long term investors, this should be the main concern. We guard against this risk by investing in companies that, in our opinion, have strong competitive advantages, financial strength to withstand temporary business declines, and a culture of innovation.

## **Equity Securities Risk.**

Equity securities (i.e., stocks) fluctuate in value in response to many factors, including the activities, results of operations, and financial condition of individual companies; the business market in which individual companies compete; industry market conditions; interest rates; and general economic environments. In addition, unforeseeable events such as domestic and international political instability, terrorism and natural disasters may cause sudden and significant price declines in equity securities.

## **Value Style Risk**

Abbilon strives to adhere to a value investment philosophy. This means we try to buy investments when the market price is significantly below our estimate of intrinsic value. This approach presents two kinds of risks: First, the market may continue to disagree with us about the true value of the investment indefinitely. Second, the underlying business may fail to perform as expected and the price or value we anticipated may never materialize.

## **Small Company Risk**

Abbilon may invest a significant part of your assets in small or medium size companies. Historically such companies are more likely to be undervalued by market participants. The price of small and medium-sized companies, especially those competing in newer fields or industries, tend to swing up and down more frequently and within a larger range than big companies. Also, smaller companies are usually more vulnerable to adverse developments such as economic downturns, competition, business plan execution, loss of key employees, etc.

## **Concentration Risk**

Abbilon's investment strategies typically recommend investing a diverse but relatively small group of companies. This type of strategy may offer higher returns but also the risk of amplified

losses that may occur from having a large portion of your holdings in a investment, asset class or market segment relative to your overall portfolio.

## **Item 9. Disciplinary Information**

None. Abbilon has not been subject to any disciplinary events, nor is it party to any legal disputes or litigation.

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

None.

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

### **Code of Ethics**

Abbilon maintains a code of ethics that requires all officers and employees to conduct themselves with the highest standards of honest conduct and business ethics in all aspects of their activities concerning Abbilon and Abbilon clients. A copy of Abbilon's Code of Ethics is available to clients and prospective clients upon request.

A copy of Abbilon's Code of Ethics is available by request by sending an email to [support@abbilon.com](mailto:support@abbilon.com).

### **Participation or Interest in Client Transactions**

Abbilon and its associated persons are prohibited from buying securities from or selling securities to any Abbilon client. Abbilon and its associated persons may buy or sell securities issued by the same companies they recommend to Abbilon clients, provided they are not using their knowledge of Abbilon Client's positions, holdings or trading intentions or patterns to make trading decisions in such securities.

### **Personal Trading**

Abbilon expressly prohibits any person associated with us from trading securities based on material, non-public information for themselves or others.

## Item 12. Brokerage Practices

In selecting broker-dealers to execute transactions for our Clients, We seek the best available overall terms, based on a variety of factors, including:

- the ability to achieve prompt and reliable executions at favorable prices;
- the operational efficiency with which transactions are executed;
- the competitiveness of commission rates;
- the borrowing terms or securities lending arrangements available from the broker; and
- the financial strength, integrity, and stability of the broker.

Recognizing the value of these factors, Abbilon may pay brokerage commissions in excess of that which another broker might have charged for effecting the same transaction or series of transactions.

Abbilon regularly evaluates available broker-dealers and the reasonableness of the costs we pay those brokers on behalf of our clients. However, the Firm is not obligated to solicit competitive bids or seek the lowest available commission costs.

Although Abbilon may also consider the quality, comprehensiveness, and frequency of available research and related services to be of value, Abbilon will not receive any "soft dollar" benefits from brokers. If in the future Abbilon determines that it will accept research, it will pay using hard dollars or soft dollars in accordance with Section 28(e) of the Securities Exchange Act of 1934, as amended. It will be disclosed and used generally for the benefit of all clients.

The Firm does not consider client or investor referrals in selecting or recommending broker-dealers.

The Firm does not recommend, request, require, or permit clients to direct brokerage.

The Firm uses best efforts to allocate trading opportunities fairly and equitably among Clients. If a Client and any other Firm-sponsored investment entity attempt to place orders in the same instrument, in the same direction, and at the same time, the Firm's systems will not combine the orders but will randomly allow one order to go first, thus allowing one trading entity to enter the market before the other. In addition, the Firm has no control over the timing or manner in which orders will be filled, and therefore, an order that enters the market first may not be filled first or may



not be filled at all. The Firm does not engage in post-trade allocations among orders placed by a Fund and any other Firm-sponsored investment entity.

As of this filing, all Client Account trades are executed using Interactive Brokers, LLC unless the Client designates a different broker.

We may aggregate buy and sell orders for multiple Clients when we determine that two or more Clients need to buy or sell a security on the same date and time. In such event, each Client will pay or receive the average price of the securities purchased or sold in such aggregated transaction. As a result, the price may be either higher or lower to the Client than it would be if similar transactions were not being executed concurrently with other Clients.

When buy or sell orders are not filled completely, Abbilon allocates the securities bought or sold pro-rata, based on the size of the orders placed on behalf of each Client. If for some reason pro-rata allocation is not feasible, Abbilon will allocate securities bought or sold on a random basis. The goal of these policies is to ensure that all Clients receive fair and equal treatment over time.

## **Item 13. Review of Accounts**

### Reviews of Client Accounts

Abbilon reviews Client Accounts on a regular basis. Certain events or changes in circumstances may prompt updates to securities holdings. These include significant market events affecting the prices of one or more securities held by a Client, changes in investment objectives or guidelines of a Client, or specific arrangements with Clients.

### Reports to Clients

Clients can access their account balance, holdings, and fees charged as of the closing date of the period anytime by logging in to their account through [www.abbilon.com/login](http://www.abbilon.com/login). From time to time, Abbilon may post special reports or notices to Clients on our website or send them to clients via email. Abbilon does not send physical papers to clients.

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

Abbilon does not pay third parties for client referrals as of the date of this Brochure. However, we reserve the right to enter into referral arrangements in the future without prior notice. For example, Abbilon expects from time to time to run promotional campaigns to attract Clients to open Accounts on [www.abbilon.com](http://www.abbilon.com). These promotions may include additional Account services or products offered on a limited basis to select Clients, more favorable fee arrangements, or reduced advisory fees for Clients. We may implement an Invite Program pursuant to which Clients may invite friends, family and others to open an Abbilon Account in exchange for rebates or fee reductions or other compensation.

These arrangements may create an incentive for a third-party or existing Clients to refer prospective Clients to Abbilon, even if the third-party would otherwise not make the referral. These arrangements may also create a conflict of interest for a Client to maintain a certain level of assets managed through Abbilon if doing so would result in eligibility to receive an incentive, bonus or additional compensation. Abbilon may also pay pre-determined fees to third-parties for directing new users to Abbilon, which may be in the form of so-called CPM, CPC or CPA arrangements (respectively, impressions, clicks or acquisition through other websites). For example, Abbilon may advertise on various social media and other websites, including sites on which bloggers may write articles about Abbilon and its services, and pays an advertising fee based upon the potential client leads (but not new client account openings) generated by those advertisements.

Abbilon exercises no editorial control over such sites. While it is not a common practice, Abbilon from to time may engage solicitors whom it would pay for Client referrals. If so, Abbilon will disclose this practice in writing to the affected Clients and comply with the requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended, to the extent required by applicable law.

## **Item 15. Custody**

Abbilon does not act as custodian for any Client. We use “Qualified Custodians” such as registered broker-dealers or banks, to act as custodians for Client Accounts as required under the Advisers Act. Qualified custodians are expected to provide account statements at least quarterly that show all holdings and activity. We strongly recommend that clients compare the portfolio holdings listed in

Abbilon's website accounts to reports against those provided by the qualified custodian and immediately alert both institutions if they notice any discrepancies.

## **Item 16. Investment Discretion**

Clients who decide to retain Abbilon as their investment adviser must complete and execute a Abbilon Client Account Agreement ("Account agreement"). Under the terms of the Account Agreement, Abbilon assumes full discretionary trading and investment authority over the Client's assets held with IBRK or other custodians as the case may be. This means Abbilon is given full authority under a power of attorney arrangement to select the timing, size, and identity of securities to buy and sell for the Client as well as enter into, amend or terminate contracts relating to the account.

A Client should understand that subject only to Abbilon's fiduciary duties, Abbilon's full discretionary trading and investment authority over the Client's assets held with the custodian means that the timing, size, and identity of securities to buy and sell for trades for Client Accounts is completely within Abbilon's discretionary authority, and while Abbilon seeks to respond to Client deposits, Client changes in risk profiles, Client withdrawal requests and other reasonable Client requests in a timely and reasonable manner, Abbilon does not represent or guarantee that Abbilon will respond to any such Client actions or requests immediately or in accordance with set time schedule.

Further, Abbilon is not responsible to Client for any failures, delays and/or interruptions in the timely or proper execution of trades or any other trading instructions placed by Abbilon on behalf of Client through IBRK or any other third party broker-dealer due to any reason or no reason, including without limitation any or all of the following, which are likely to happen from time to time: (A) any kind of interruption of the services provided by IBRK or its clearing or executing broker-dealers or Abbilon's ability to communicate with IBRK or its clearing or executing broker-dealers (B) hardware or software malfunction, failure or unavailability; (C) IBRK system outages; (D) internet service failure or unavailability; (E) the actions of any governmental, judicial or regulatory body; and/or (F) force majeure.

## **Item 17. Voting Client Securities**

Abbilon, as a matter of policy and as a fiduciary to our clients, has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the Clients. We maintain written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. Clients may request information regarding how Abbilon voted a client's proxies, and clients may request a copy of the firm's proxy policies and procedures by emailing [support@Abbilon.com](mailto:support@Abbilon.com).

## **Item 18. Financial Information**

This Item is not applicable because Abbilon does not require or solicit the prepayment of any advisory fees, and does not have any adverse financial condition that is reasonably likely to impair our ability to continuously meet our contractual commitments to our Clients.