



ITEM 1 – COVER PAGE

## PART 2A OF FORM ADV

October 2019

AD DEUM FUNDS, LLC

DOING BUSINESS AS (D/B/A)  
WIZARD OF OPS

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Under SEC and similar state rules we are required to deliver a brochure disclosing information about our firm to clients and prospective clients.

This brochure provides information about the qualifications and business practices of Ad Deum Funds, LLC. If you have any questions about the contents of this brochure, please contact us at (515) 523-3386 or email us at [info@addeumfunds.com](mailto:info@addeumfunds.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

We are a registered investment advisor. Registration does not imply any certain level of skill or training.

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

## ITEM 2 – MATERIAL CHANGES

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October 2019

Item 4.E reflects an update in assets under management.

Additional information about Ad Deum Funds, LLC is also available via the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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Throughout this Brochure, “Ad Deum Funds,” “Wizard of Ops,” “the Firm,” “Advisor,” “we,” “our,” or “us” refers to Ad Deum Funds LLC, whereas “you”, “your” or “client” refers to the client or prospective client.

## ITEM 4 – ADVISORY BUSINESS

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### A. Firm Information

Ad Deum Funds, LLC (“Ad Deum Funds”) is registered as an Investment Advisor with the Commonwealth of Virginia as of October 2018. The entity was founded January 10, 2018. Jason Daniel DeLorenzo is the principal owner and member of Ad Deum Funds.

### B. Types of Advisory Services Offered

Currently, Ad Deum Funds offers the following investment advisory services, which are personalized to each individual client:

#### 1. Newsletters

Ad Deum Funds produces two newsletters: The Wizard of Ops Fundamental Trader and The Wizard of Ops Technical Trader, both available online since 2018. The Wizard of Ops Fundamental Trader newsletter provides trading information on undervalued businesses to invest in and sell when they reach a certain value. The Wizard of Ops Technical Trader provides trading information using price chart technical analysis to identify trading ideas.

These newsletters analyze current and potential trade ideas and the information in them may be used for client accounts. Both newsletters primarily use equity option trading ideas to optimize returns. The newsletters educate subscribers about the funds and sectors Ad Deum Funds uses for client accounts and help clients follow the Ad Deum Funds to understand the Ad Deum Funds’ investment outlook and philosophy. The newsletter is distributed for a subscription fee through members-only subscription options on our Wizard of Ops’ websites at <http://www.wizofops.com/fundamentaltrader-about.html> and <http://www.wizofops.com/technicaltrader-about.html>.

#### 2. Investment Planning Services

Ad Deum Funds provides continuous advice to accredited and non-accredited investors regarding the investment of client funds, specifically equity options. “An accredited investor is a person or entity that can deal with securities not registered with financial authorities by satisfying one of the requirements regarding income, net worth, asset size, governance status or professional experience. The term is used by the Securities and Exchange Commission (SEC) under Regulation D to refer to investors who are financially sophisticated and have a reduced need for the protection provided by regulatory disclosure filings. Accredited investors include natural individuals, banks, insurance companies, brokers and trusts.” Source: Investopedia <https://www.investopedia.com/terms/a/accreditedinvestor.asp#ixzz5QR9gjPbJ>

We answer questions from clients regarding the method in general or specific to their accounts and provide assistance in executing trades for derivative options through a third-party brokerage firm. Ad Deum Funds

does not assume discretionary authority for investment planning clients who are not individual asset management clients. If Ad Deum Funds executes trades for derivative options on behalf of asset management clients, we assume discretionary authority over the account for a limited period of time when a client makes such a request. Discretionary authority requires an Investment Advisory Contract on file for each client account.

Ad Deum Funds gathers data regarding a client's particular circumstances to determine a suitable investment. We gather information on the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background. Our investment recommendations are not limited to any specific product or service offered by a third-party, including a third-party broker-dealer. Jason Daniel DeLorenzo, the principal owner and member of Ad Deum Funds, receives complimentary access to analytical subscription services provided by Chimera Research Group and EcoQuant Intel in exchange for his contributing analysis and information on investment strategies. As discussed in Item 10, the incentives offered by these third-party arrangements inherently cause a conflict of interest.

Because some types of investments involve certain additional degrees of risk, they will only be implemented or recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability.

### 3. Individual Asset Management

Ad Deum Funds will provide continuous regular asset management of client funds for accredited and non-accredited investors. We will gather information on the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

Ad Deum Funds LLC and its clients mutually authorize an Investment Advisory Contract. This contract states, "Client hereby appoints and authorizes Adviser to serve as Client's agent and attorney-in-fact and grants Adviser limited power-of-attorney under this Agreement with discretionary authority to direct, manage, and change the investment and reinvestment of Assets in Client's Account, including any proceeds and additions."

Ad Deum Funds will manage these advisory accounts on a discretionary basis considering factors such as liquidity needs, income objectives, risk tolerances, and tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Once the client's portfolio has been established, we will execute the trades on behalf of our clients through a third-party brokerage firm. Our investment recommendations are not limited to any specific product or service offered by a brokerage firm.

Because some types of investments involve certain additional degrees of risk, they will only be implemented or recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

C. Client Tailored Services and Client Imposed Restrictions

All of Ad Deum Funds' clients are different, so we tailor our services to meet your needs through consultations to discover your individual goals. Then we analyze your current investments and make suggestions on how to meet your individual goals. The client may impose restrictions on investing in certain derivative options.

D. Wrap Fee Programs

Ad Deum Funds does not participate in wrap-fee programs.

E. Assets Under Management

As of October 22, 2019, Ad Deum Funds currently has \$506,965 in assets under management on a discretionary basis. No funds are managed on a non-discretionary basis.

ITEM 5 – FEES AND COMPENSATION

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Please note, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the Investment Advisory Contract, the Investment Advisory Contract may be terminated by the client within five (5) business days of signing the investment advisory contract without incurring any advisory fees. How we are paid depends on the type of advisory service we are performing. The firm does not accept cash or check payments for any services. Please review the fee and compensation information below.

A. Newsletter Subscription Fees

The Wizard of Ops Fundamental Trader and The Wizard of Ops Technical Trader newsletters are charged through a subscription fee to a credit card that is automatically renewable every month through the Stripe subscription service available on <http://www.wizofops.com/fundamentaltrader-about.html> and <http://www.wizofops.com/technicaltrader-about.html>. Subscribers may cancel their subscription by emailing a request to cancel to [info@addeumfunds.com](mailto:info@addeumfunds.com).

The cost for one newsletter is \$40 per month and the cost for both newsletters is \$60 per month. Subscribers must elect to subscribe with the button stating "subscribe to the Fundamental & Technical Trader (monthly) - 25% off individual newsletters" or "subscribe to the Fundamental & Technical Trader (buy 6 months, get 1 free) - 25% off individual newsletters" buttons in order to receive the advertised discounts. These buttons are available on both informational pages listed above. If a subscriber elects to subscribe to The Wizard of Ops Fundamental Trader or The Wizard of Ops Technical Trader for six (6) months, then the seventh month is free.

If a customer purchases a monthly newsletter subscription on June 21, then the next payment will be deducted on July 21, August 21, etc., so long as subscription continues. If a customer elects this service on

the last day of the month, then the next payment will be deducted on the subsequent last day of the month. All fees are nonrefundable.

#### B. Investment Planning Services Fees

The monthly fee for Ad Deum Funds Investment Planning Services is a flat fee of \$250.00 for unlimited investment planning services charged via credit card when the client elects the service. The fee is rolling until the next matching numerical date. If a customer elects this service on June 21, then the next payment will be deducted on July 21, August 21, etc. If a customer elects this service on the last day of the month, then the next payment will be deducted on the subsequent last day of the month. Payments will be deducted via credit card so long as services continue without termination. Clients can cancel these services by contacting Jason Daniel DeLorenzo ten (10) days prior to the end of the calendar month. Clients will not be reimbursed for cancelling their Investment Planning Services prior to the end of the calendar month.

If a client receives Investment Planning Services, s/he will receive complimentary Wizard of Ops newsletters.

Client's fees are deducted from their accounts or charged to a credit card. Clients receive an itemized invoice when any fee is deducted from their account or charged to their credit card. All fees are nonrefundable.

#### C. Individual Asset Management Services Fees

The annualized fee for Asset Management Services will be charged as a percentage of assets under management, according to the following:

- A one-and-a-half-percent (1.5%) management fee is assessed in advance, billed and withdrawn quarterly, to Ad Deum Funds regardless of the client account's performance.

If the client is accredited, he/she has the choice of the above management fee, or the following:

- A one-percent (1%) management fee is assessed in advance, billed and withdrawn quarterly, to Ad Deum Funds regardless of the client account's performance.
- A ten-percent (10%) performance-based fee annually charged based on realized plus unrealized gains, minus the 1% management fee.

The 1% or 1.5% fee is paid in advance quarterly; the 10% performance-based fee is paid annually. The bases of the performance-based fee are the realized and unrealized gains of the portfolio after the 1% management fee is assessed, the broker commissions are removed, and documented client trade results are removed from the net profits. There are no hurdle rates and/or high-water marks associated with the performance-based fee.

The management fees are assessed annually and billed in quarterly installments. New accounts are assessed based on the initial balance of the account at the beginning of the contract period. Management fees for existing accounts after the first year of management are assessed in advance at the start of the

contract year (not calendar year) based on the prior contract year's ending balance in the account, plus deposits, minus withdrawals.

All quarterly management fees will be assessed on a calendar year billing period, regardless of when contracts are signed. Billing periods will be January 1-March 31; April 1-June 30; July 1-September 30; and October 1-December 31. Invoices will be issued 15 days prior to the start of a new billing period and funds will be withdrawn the day before a new billing period begins. If a client enrolls in the middle of a billing period, the quarterly management fees will be prorated from the initiation of the contract to the end of the current billing period.

Ad Deum Funds LLC and its Individual Asset Management Services clients mutually authorize an Investment Advisory Contract. This contract states, "Client hereby appoints and authorizes Adviser to serve as Client's agent and attorney-in-fact and grants Adviser limited power-of-attorney under this Agreement with discretionary authority to direct, manage, and change the investment and reinvestment of Assets in Client's Account, including any proceeds and additions." This Investment Advisory Contract includes a Termination policy. This policy states, "This Agreement will continue in effect until terminated by either Party at any time for any reason, effective upon the other Party's prior written notification of such termination to the other party." The date of termination is determined by the date in which written notification is delivered electronically or postmarked. Verification and confirmation of a request for termination will be provided in writing either electronically or via mail (in the same manner in which it was received). The firm will process a request for termination immediately upon client request. Since options can be an illiquid vehicle, a written consultation will take place between the firm and the client to preserve capital. As specified above, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the Investment Advisory Contract, the Investment Advisory Contract may be terminated by the client within five (5) business days of signing the investment advisory contract without incurring any advisory fees. If a client terminates six (6) or more business days after a new contract is signed and the fee had already been deducted from the client's account or charged to a credit card, Ad Deum Funds LLC retains the fees.

The minimum asset value for Asset Management Services is \$50,000.00. Ad Deum Funds will consider lower valued accounts clients on a case-by-case basis. These fees are billed on an annual basis, in arrears. The fees are based upon the asset value as of the end of the prior year as it appears on the third-party brokerage statement. Clients receive an itemized invoice when any fee is deducted from their account or charged to their credit card. All fees are nonrefundable. Individual asset management services will receive complimentary Wizard of Ops newsletters and Investment Planning Services.

#### D. Additional Fees and Expenses

Clients may incur certain charges imposed by third parties including but not limited to custodial fees, charges imposed directly as a result of any derivative option traded in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients may incur brokerage commissions and transaction

fees. Such charges, fees and commissions are exclusive of and in addition to Ad Deum Funds' fee. Those fees are separate and distinct from the fees and expenses charged by Ad Deum Funds.

**All Ad Deum Funds fees previously listed are subject to negotiation.**

#### ITEM 6 – PERFORMANCE-BASED FEE AND SIDE-BY-SIDE MANAGEMENT

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Ad Deum Funds does use a performance-based fee structure (fees based on a share of capital gains on or capital appreciation of the assets of a client). Performance-based compensation may create an incentive for the advisor to recommend an investment that may carry a higher degree of risk to the client. However, the nature of asset-based fees allows Ad Deum Funds to participate in the long-term growth of the client's assets. This also means that Ad Deum Funds' fees can decline when the client's asset management account declines in value.

Ad Deum Funds manages both accredited and non-accredited accounts with separate fee structures. Therefore, Ad Deum Funds engages in side-by-side management. Ad Deum Funds is aware of the risks posed by side-by-side management. The firm will employ Junxure CRM Cloud Solutions to mitigate this risk and allow centralized client information for audits and regulators to monitor.

As an investment advisory firm, Ad Deum Funds has a fiduciary duty to its clients. In order to mitigate conflicts which may arise from managing accounts that bear an asset-based fee, Ad Deum Funds will agree not to trade against the positions stated in the Wizard of Ops newsletters. Upon request, Ad Deum Funds will reveal all positions held in personal accounts to clients. Ad Deum Funds will also monitor and enforce its Code of Ethics discussed in Item 11, including those related to investment allocations.

#### ITEM 7 – TYPES OF CLIENTS

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Ad Deum Funds provides services to individuals, retirement plans, charitable organizations and businesses, within the limitations imposed by securities regulations.

We have a minimum account size requirement of \$50,000.00. Ad Deum Funds will consider lower valued accounts on a case-by-case basis.

#### ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

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For our Wizard of Ops Fundamental Trader and Wizard of Ops Technical Trader, we primarily utilize ValueLine and Chimera Research Group in the management of fundamental newsletter and client portfolios. Ad Deum Funds primarily utilizes Mandelbrot Trend Forecasting, ElliottWaveTrader, EcoQuant Intel, and Inside Track Trading in the management of the technical trader newsletter and client portfolios. Ad Deum Funds has determined that ThinkOrSwim by TD Ameritrade and Gamma Optimizer tools provide the best opportunity to effectively implement the investment policies of client portfolios, and thereby gain the greatest benefit from the firm's methodology.

Jason Daniel DeLorenzo, the principal owner and member of Ad Deum Funds, receives complimentary access to analytical subscription services provided by Chimera Research Group and EcoQuant Intel in exchange for his contributing analysis and information on investment strategies. As discussed in Item 10, the analytical incentives offered by these third-parties inherently cause a conflict of interest.

A. Risks for All Forms of Analysis

Our derivatives options analysis methods rely on the assumption that the companies whose derivative options we execute the trading of through third-party brokerage firms, the rating agencies that review these derivative options, and other publicly-available sources of information about these derivative options, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

B. Risk of Loss

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

1. **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
2. **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
3. **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power erodes at the rate of inflation.
4. **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as Exchange Rate Risk.
5. **Reinvestment Risk:** Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
6. **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies are dependent upon finding oil and then refining it, a lengthy process, prior to generating a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment conditions may be.

7. Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

8. Options Trading Risk: While Mr. DeLorenzo exercises extreme caution when managing client accounts through several strategies such as higher levels of portfolio diversification, higher than normal cash reserve holdings, and no use of leverage, options as a vehicle can create volatile returns including higher levels of capital losses than traditional stock investing. In extreme and unexpected market conditions, depending on the style of trading identified in the customer portfolio inquiry, there is a chance that portfolio losses could be significantly higher than that of the broader market.

### C. Risk Tolerance

Since options have a different risk profile than other securities, it is recommended that this account not be relied upon for short-term liquidity needs. However, to determine the needs of the account, a risk assessment will be provided in the inquiry at the end of this document. Since options provide a different investment style, there are different ways to control risk. As an experienced option trader, the Advisor has developed these risk control methods ranked from least risky to most:

1. Cash-Secured: This risk profile is similar to equities in that the full value of the underlying is leveraged with cash. This style is distinguished by collecting premium on the purchased equities instead of the outright purchase of equities.

2. High Capital Reserves: This risk profile allows the flexibility of spreads (using another option as collateral for a sold option), but controls risk by holding a larger cash/cash equivalent reserve. This also focuses positions into higher confidence trades.

3. Greek Neutralization: This diversifies the portfolio not only in the underlying but in the style of trades that are used. This is important in limiting risks in the markets due to timing or volatility changes in the options. The greeks are delta, vega, theta, and gamma, which are four measurements used in option pricing.

4. High Diversification Levels: With the ability to use spreads to avoid using a lot of capital per trade, instead of having a high cash reserve, the portfolio can be diversified 3-4 times more than a typical equities portfolio.

5. High Conviction Trading: This method puts more portfolio weight on higher conviction trades, limiting diversification in an attempt to minimize opportunity cost in trading opportunities.

### D. Option Trading Styles

Since options are a unique trading vehicle, there are different styles to trade than the typical portfolio. These are some of the styles the Advisor employs:

1. Fundamental Trading: This is a style of trading where the Advisor looks for undervalued or overvalued businesses and utilizes options strategies to exploit the mispriced securities.
2. Technical Trading: This style of trading is limited to variables related to the security itself, such as price and trading volume, to determine how the price of the security will move next.
3. Arbitrage: Since options are a derivative instrument, there are arbitrage opportunities that can be exploited.
4. Volatility Trading: This is a style of trading where the Advisor exploits the mispricing of options while minimizing the impact of the security's price movement.

#### ITEM 9 – DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Ad Deum Funds or the integrity of our management. We have no information applicable to this Item to disclose.

#### ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

##### Affiliated Investment Advisor and/or Financial Planning Services

Jason Daniel DeLorenzo, the principal owner and member of Ad Deum Funds, provides cost/benefit analysis services through a contract with the Federal Aviation Administration through Regulus Group LLC, an engineering contractor group in Woodstock, Virginia.

##### Affiliated Investment Analysis and Information To Third-Parties

Mr. DeLorenzo is affiliated with Chimera Research Group and EcoQuant Intel, by contributing to these third-party websites with analysis and information on current and potential trade ideas in exchange for complimentary access to their subscription services.

Chimera Research Group (“Chimera”) is a subscription-based website in which subscribers get access to self-curated and peer-reviewed research and trade reports, statistical and clinical analysis, and additional proprietary services. Mr. DeLorenzo publishes a monthly article through Chimera analyzing options trading strategies and insights in the biotech and pharmaceutical sectors. In exchange for publishing this monthly article, Mr. DeLorenzo receives complimentary access to all Chimera subscription services.

EcoQuant Intel (“EcoQuant”) is a subscription-based website in which subscribers get access to trading and investment analysis based on a behavioral economic methodology. Mr. DeLorenzo is a periodic contributor to EcoQuant and receives a complimentary subscription to EcoQuant’s analysis for his contributions.

As discussed in Item 8, Ad Deum Fund’s investment advisory services may rely on Mr. DeLorenzo’s complimentary access to Chimera and EcoQuant subscription services. The incentives offered to Mr.

DeLorenzo by these third-party arrangements inherently cause a conflict of interest. Ad Deum Funds recognizes this conflict, and, upon request by the client, will explain the benefits and risks associated with using the analytical information provided by Chimera and EcoQuant to form that client's investment portfolio. Ad Deum Funds will also monitor and enforce its Code of Ethics discussed in Item 11.

## ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

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Ad Deum Funds has always had as its first priority the needs and interests of our clients. The Investment Advisers Act of 1940 imposes a fiduciary duty on investment advisers. As fiduciaries, we have an obligation of accountability to our clients, our peers, and ourselves to uphold our reputation and personal integrity by always acting in the best interest of each client. Our clients' trust demands high standards upon our conduct and reliability. Employees are expected to act in the best interest of each client, regardless of situation or circumstance. The below Code of Ethics does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients.

Our Code of Ethics addresses the securities-related conduct of Ad Deum Funds, our advisory representatives, employees, and associated persons. The Code of Ethics encompasses our policies and procedures developed to protect your interest, and is as follows:

- Ad Deum Funds will never buy or sell a security directly from you or to you. We do not act as principals for transactions.
- It is possible that persons related to Ad Deum Funds may purchase a publicly traded security for a client's account that they have purchased for their own portfolios. In no instance will they own as much as 1% of said security. Ownership of a security by a related person will be disclosed to the client holding the same security.
- If a person affiliated with Ad Deum Funds wants to buy or sell a security and similar transactions are being made for clients that same day, the related person must wait until all planned client transactions are completed before entering his own.
- Any information concerning you, your holdings, and your financial circumstances is considered confidential.

The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

## ITEM 12 – BROKERAGE PRACTICES

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### Factors Used to Select Custodians and/or Broker-Dealers

Ad Deum Funds has discretionary authority to determine the broker or dealer to be used for a purchase or sale of securities for a client account. Ad Deum Funds uses the brokerage services of Thinkorswim by TD Ameritrade, a registered broker-dealer and a member of the Financial Industry Regulatory Authority

("FINRA") and the Securities Investor Protection Corporation ("SIPC"). We believe that Thinkorswim by TD Ameritrade provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by Thinkorswim by TD Ameritrade, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services Thinkorswim by TD Ameritrade provides, you may pay higher commissions or trading costs than those that may be available elsewhere.

We also maintain relationships with several other broker-dealers. While you are free to choose any broker-dealer or other service provider, we recommend that you establish an account with a brokerage firm with which we have an existing relationship. Such relationships may include benefits provided to our firm, including but not limited to, research, market information, and administrative services that help our firm manage your account(s). We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services recommended broker-dealers provide, you may pay higher commissions or trading costs than those that may be available elsewhere.

#### Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements.

#### Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

#### Directed Brokerage

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent us from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

Although Ad Deum Funds may recommend a custodian (and broker-dealer) for client accounts, clients are under no obligation to work with the recommended custodian. Custodial services are available through TD Ameritrade.

### Block Trades

In general, we do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, or transaction costs than other clients.

### ITEM 13 – REVIEW OF ACCOUNTS

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Jason Daniel DeLorenzo, the principal owner and member of Ad Deum Funds, conducts written portfolio reviews at least quarterly. Periodic reviews are triggered by a change in investment strategy by the client or significant changes to any asset(s) within the portfolio.

The nature of the quarterly review is to make sure that the portfolio is continuing to reflect the client's needs based on the client's inquiry form. The review is conducted by Jason DeLorenzo.

In the event further research reveals an increased amount of risk in the client's portfolio, Mr. DeLorenzo will conduct a written review to determine if the portfolio still meets the client's stated needs in the customer inquiry form. Also, if the customer's needs for the portfolio change, Mr. DeLorenzo will conduct a written review of the portfolio and change the positions as he sees fit.

Ad Deum Funds will provide quarterly written position reports to clients. These written reports will include current positions, capital invested, current unrealized profits and losses, realized profits and losses, expected profits from each position, when those profits are expected, and a short commentary about each position.

### ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

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#### A. Client Referrals

Ad Deum Funds does not directly or indirectly compensate any person for client referrals.

#### B. Other Compensation

As discussed above, Mr. DeLorenzo receives complimentary access to analytical subscription services provided by Chimera Research Group and EcoQuant Intel in exchange for his contributing analysis and information on investment strategies. These third-party arrangements may be utilized for analytical purposes as described in Item 8.

### ITEM 15 – CUSTODY

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Ad Deum Funds LLC and its clients mutually authorize an Investment Advisory Contract. This contract states, "Client hereby appoints and authorizes Adviser to serve as Client's agent and attorney-in-fact and grants

Adviser limited power-of-attorney under this Agreement with discretionary authority to direct, manage, and change the investment and reinvestment of Assets in Client's Account, including any proceeds and additions."

We previously disclosed in Item 5, "Fees and Compensation," of this Brochure that Ad Deum Funds directly debits advisory fees from client accounts held by independent custodians. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account.

On at least a quarterly basis, the custodian is required to send to the client a written statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their written advisor statements from Ad Deum Funds to compare these statements with those they receive from the qualified custodian and verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statements.

Although Ad Deum Funds does not hold actual custody of client accounts, we are deemed to have constructive custody for purposes of amended Rule 206(4) – 2 of the Advisors Act due to our management of client accounts where we directly debit advisory fees from said client accounts. Another example this applies is if, with the client's permission, we log into a client's account using a client's username and password and have the ability to withdraw funds and securities from the client's account, even if we never exercise this ability.

## ITEM 16 – INVESTMENT DISCRETION

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Before Ad Deum Funds LLC assumes discretionary authority to direct, manage, and change the investment and reinvestment of assets in client accounts, the firm and its clients mutually authorize an Investment Advisory Contract. Ad Deum Funds maintains discretionary authority over investment advisory accounts in accordance with the terms of the Investment Advisory Contract to select the type, issuer and amount of securities bought and sold on behalf of the client. In all cases, such discretion is exercised in a manner consistent with the clients' stated investment objectives and risk tolerance. Ad Deum Funds has discretionary authority to determine the broker or dealer to be used for a purchase or sale of securities for a client account. Ad Deum Funds uses the brokerage services of Thinkorswim by TD Ameritrade, a registered broker-dealer and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). Clients may place restrictions on this authority based on values and beliefs.

## ITEM 17 – VOTING CLIENT SECURITIES

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Ad Deum Funds does not have authority to vote proxies on behalf of advisory clients. Clients retain responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Ad Deum Funds may provide advice regarding the clients' voting of proxies. Clients may contact Ad Deum Funds at (515) 523-3386 or [info@addeumfunds.com](mailto:info@addeumfunds.com) to request advice about their voting of proxies.

## ITEM 18 – FINANCIAL INFORMATION

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Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition.

Ad Deum Funds has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and it has not been the subject of a bankruptcy proceeding.

Ad Deum Funds does not accept prepayment for services before a contract is signed. Additionally, Ad Deum Funds does not accept prepayment of more than \$500 in fees six months or more in advance.

## ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISORS

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Ad Deum Funds is registered with the Commonwealth of Virginia. Application for registration in other states will be made as necessary.

Registration does not imply endorsement by the regulating authority.

### Principal Executive Officers and Management Persons

The principal executive officers and management persons of Ad Deum Funds are as follows:

Jason Daniel DeLorenzo, Principal Owner and Member.

A description of Jason's education and business background is included in the brochure supplement, Form ADV Part 2B, which is also provided to clients. Clients can also get a copy of the brochure supplement for

Ad Deum Funds officers at any time by contacting us at the address or phone number on the cover page of this brochure.

### Other Business Activities

Jason Daniel DeLorenzo and Ad Deum Funds participate in other financial industry activities and engage in affiliations with other financial industry entities as described in Item 10.

### Performance-Based Fees

Ad Deum Funds does receive performance-based fees as described in Item 6.

### Legal and Disciplinary Issues

Ad Deum Funds seeks to maintain the highest level of business professionalism, integrity, and ethics. Ad Deum Funds does not have any legal or disciplinary events on our records to disclose.

Arrangements with Securities Issuers

Ad Deum Funds does not have relationships or arrangements with issuers of securities.