

**Gerber Kawasaki, Inc.**  
*d/b/a*  
**Gerber Kawasaki Wealth & Investment Management**  
**Gerber Kawasaki Financial Advisors**

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April 14, 2022

**FORM ADV PART 2  
BROCHURE**

This Brochure provides information about the qualifications and business practices of Gerber Kawasaki Wealth & Investment Management. If you have any questions about the contents of this Brochure, please contact us at 310-399-6397. 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 Gerber Kawasaki Wealth & Investment Management is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Gerber Kawasaki Wealth & Investment Management is 153649.

Gerber Kawasaki Wealth & Investment Management is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment dated March 10, 2021, we have the following material changes to report:

- Item 4 of the ADV Part 2A has been amended to clarify that our wealth building program 30 minute option for clients with limited needs like a 401k allocation review or to discuss college planning is \$250 per consultation. Please refer to Item 4 for additional information on our wealth building program 60 minute option.
- GK Tax & Accounting has since closed and is no longer reflected under Item 10 of the ADV Part 2A. It has since been replaced by Gerber Kawasaki Tax Services. Item 10 of the ADV Part 2A has been amended accordingly.
- An acknowledgement of fiduciary status required under PTE 2020-02 has been added to Item 4 of the ADV Part 2A. Please refer to Item 4 for additional information on this topic.
- Item 4 & Item 5 of the ADV Part 2A has been amended to reflect that we offer other business under the dba (Gerber Kawasaki Tax Services) which may include but are not limited to, Tax Services, Tax Estimates, Tax Projections, Tax Compliance, Tax Consulting, Tax Planning, Accounting Services and Bookkeeping Services. Please refer to Item 4 and Item 5 for additional information on our other business services.
- As of July 2021, persons providing investment advice on behalf of our firm are no longer licensed as registered representatives of LPL. The ADV has been amended accordingly.
- The Firm now serves as a sub-adviser to AdvisorShares Gerber Kawasaki ETF ("Funds"). Please refer to Item 4 & Item 5 of the ADV Part 2A for additional information on the Fund's services and fees. In addition, please refer to Item 8, Item 10 and Item 11 for certain conflicts of interest arising from management of the Fund.
- In our capacity as sub-adviser to the portfolio of AdvisorShares Gerber Kawasaki ETF ("Funds"), we will determine how to vote proxies based on our reasonable judgment of the vote most likely to produce favorable financial results for the Fund. However, if we provide wealth management services to you, we will not vote proxies on behalf of your advisory accounts. Please refer to Item 17 of the ADV Part 2A for additional information on voting proxy.
- We now recommend the brokerage and custodial services of Vontobel Securities Ltd. and Gemini Trust Company, LLC. Please refer to the ADV Part 2A Item 12 for additional information on the brokerage and custodial services.
- We may recommend Digital Asset Investments. Please refer to the ADV Part 2A Item 8 for additional information on Digital Asset Investments.

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## Item 4 Advisory Business

### Description of Services and Fees

Gerber Kawasaki Wealth & Investment Management is a registered investment adviser based in Santa Monica, California. We are organized as a corporation under the laws of the State of California. We have been providing investment advisory services since 2010. Ross M. Gerber and Danilo Kawasaki are our principal owners. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- Wealth Management Services
- Exchange Traded Fund Sub-Adviser Services
- Financial Planning
- Selection of Other Advisers
- Pension Consulting Services

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this Brochure, the words "we", "our" and "us" refer to Gerber Kawasaki Wealth & Investment Management and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

### Wealth Management Services

We provide discretionary and non-discretionary continuous asset management and investment advisory services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for wealth management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship. We will use the suitability information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. Once we construct an investment portfolio for you, we will monitor your portfolio's performance on an ongoing basis, and will recommend portfolio rebalancing as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. In our sole discretion, we may allow you to limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

Associated Persons of our firm will conduct an initial interview with you during which a data-gathering questionnaire will be undertaken to determine your financial situation and investment objectives. This questionnaire will lead to the design of a model appropriate for your financial needs, time horizon, risk tolerance and investment objectives. Recommendations will be made to invest in a portfolio of securities, generally no load mutual funds or load mutual funds available at NAV, stocks, bonds, and other appropriate investments. Reviews will be at least annually.

## **Wealth Building Program aka GetInvested**

As part of our wealth management services, we have created a wealth building program (the "Program") for investors with less than \$250k in investable assets. The Program is designed to be an asset accumulation program that allows clients with any asset base to get started with the help of a dedicated investment advisor. Through the Program, we offer a free initial financial consultation as well as a complementary portfolio review and analysis either online or in person. After the initial consultation and review, we offer the client a full service implementation plan through either our standard wealth management services, or through our Wealth Building or Get Invested Program.

For a \$250 fee, we set up all investment accounts and implement the financial plan as created with the client. This could entail opening several retirement and non-retirement accounts, as well as providing life insurance for family protection. If you choose to participate in our standard wealth management services, our ongoing supervisory services will cost 1.50% per annum, based on the value of the assets managed. For example a client investing \$20,000 would pay a \$250 one time membership/startup fee and 1.50% of the \$20,000 investment (\$300) per year for access to a dedicated advisor and the financial guidance we provide. Our wealth building program also, has an option for 60 minute consultations for clients with limited needs like a 401k allocation review or to discuss college planning for \$250 per consultation. The goal of the wealth building program is to help clients grow their assets and build the base of their financial plan. Upon reaching \$250k in assets, clients can request to be upgraded to our wealth management program.

### **Exchange Traded Fund Sub-Adviser Services**

In its capacity as sub-adviser to the primary adviser, AdvisorShares Investment, LLC, Gerber Kawasaki Wealth & Investment Management manages the portfolio of AdvisorShares Gerber Kawasaki ETF ("Funds"). The Fund is an actively managed exchange-traded fund ("ETF") that seeks to achieve its investment objective by investing in a focused portfolio of growth stocks. The Fund primarily invests in U.S. exchange traded equity securities, including common and preferred stock and American Depositary Receipts ("ADRs"). ADRs are securities traded on a local stock exchange that represent interests in securities issued by a foreign publicly listed company. However, the extent to which the investment policies seek such extrinsic results are more fully described in the Fund's Prospectus, and all information in this Brochure is subject to, and expressly qualified by, statements in the Prospectus. Any prospective investor in a Fund should review the Prospectus before investing.

### **Financial Planning Services**

We offer broad-based, modular, and consultative financial planning services. Financial planning will typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. Once we review and analyze the information you provide to our firm, we may deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

Pursuant to California Code of Regulations, 10 CCR Section 260.235.2, Gerber Kawasaki Wealth & Investment Management hereby makes the following statement: a conflict exists between the interest of Gerber Kawasaki Wealth & Investment Management and the interests of the client. Further, the

client is under no obligation to act upon Gerber Kawasaki Wealth & Investment Management's recommendations, and if the client elects to act on any of the recommendations, the client is under no obligation to effect the transactions through Gerber Kawasaki Wealth & Investment Management.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

### **Selection of Other Advisers**

As part of our investment advisory services, we may recommend that you use the services of a third party money manager ("MM") to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we will recommend that you engage a specific MM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the MM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the MM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

### **Pension Consulting Services**

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These pension consulting services will generally be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification
- Asset allocation
- Risk tolerance
- Time horizon

Our educational seminars may include other investment-related topics specific to the particular plan.

We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

We may, in the course of providing advisory services, provide a wide variety of other business services under the dba (Gerber Kawasaki Tax Services) to individuals and/or business clients. These may include, but are not limited to, Tax Services, Tax Estimates, Tax Projections, Tax Compliance, Tax Consulting, Tax Planning, Accounting Services and Bookkeeping Services. It is expected that advisory clients of our firm may engage us for other business services. Consequently, clients may become advisory clients. You are under no obligation to utilize any services provided by our firm.

## IRA Rollover Recommendations

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

## Types of Investments

We recommend all types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship. We may allow you to request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

## Assets Under Management

As of March 9, 2022, we provide continuous management services for \$2,028,386,000 in client assets on a discretionary basis.

## Item 5 Fees and Compensation

### Wealth Management Services

Our fee for wealth management services is based on a percentage of your assets we manage and is set forth in the following fee schedule evidencing our maximum fees subject to negotiation:

| <u>Assets Under Management</u> | <u>Annual Fee</u> |
|--------------------------------|-------------------|
| Under \$250,000                | 1.50%             |
| Over \$250,000                 | 1.00%             |

Our fee will be payable quarterly in advance. The first payment is due payable upon the execution of the Portfolio Management Agreement, and will be assessed pro-rata in the event the agreement is executed other than the first day of the new calendar quarter. Subsequent payments are due and will be assessed on the first day of each calendar quarter based on the value of the portfolio as of the last day of the previous calendar quarter.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm.

Either party may terminate the management agreement within five days of the date of acceptance without penalty to you. After the five-day period, either party may terminate the management agreement upon 30 days written notice to the other. The management fee will be pro-rated for the quarter in which the cancellation notice was given and any unearned fees will be returned to you.

### **Exchange Traded Fund Sub-Adviser Services**

Our fee for providing services to AdvisorShares Gerber Kawasaki ETF ("Funds") is calculated daily at an annual rate of 0.50% based on the average daily net assets of the Fund and is payable monthly in arrears. No fee will be accrued with respect to any day that the value of the assets under our management equals zero. We may, in our discretion and from time to time, waive a portion of our fees. Complete information regarding the Fund's operating expenses is located in the Prospectus for the Fund.

### **Financial Planning Services**

We charge a flat fee based on our hourly rate of \$350 for financial planning services, which generally ranges between \$250 and \$3,500. The fee is negotiable depending upon the complexity and scope of the plan, your financial situation, and your objectives. An estimate of the total time/cost will be determined at the start of the advisory relationship. Our fixed fee services include, but are not limited to, the following:

- Comprehensive Financial Planning (10 hours);
- 401(k) review (2 hours)
- Portfolio Makeover (2 hours)
- Education Planning (2 hours)
- Insurance Analysis (2 hours)
- Small Business Planning (2 hours)
- Financial Check-up (2 hours)
- Financial Education Seminars and Workshops (1 hour)

Fees are due at the inception of the advisory relationship. In certain circumstances, we may require that you pay 50% of the fee in advance and the remaining portion upon the completion of the services rendered. In either circumstance, we will not require prepayment of a fee more than six months in advance and in excess of \$500.

You may terminate the financial planning agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Selection of Other Advisers**

We do not charge you a separate fee for the selection of other advisers. We will share in the advisory fee you pay directly to the MM. The advisory fee you pay to the MM is established and payable in accordance with the brochure provided by each MM to whom you are referred. These fees may or may not be negotiable. Our compensation may differ depending upon the individual agreement we have with each MM. As such, a conflict of interest exists where our firm or persons associated with our firm has an incentive to recommend one MM over another MM with whom we have more favorable compensation arrangements or other advisory programs offered by MMs with whom we have less or no compensation arrangements.

You will be required to sign an agreement directly with the recommended MM(s). You may terminate your advisory relationship with the MM according to the terms of your agreement with the MM. You should review each MM's brochure for specific information on how you may terminate your advisory relationship with the MM and how you may receive a refund, if applicable. You should contact the MM directly for questions regarding your advisory agreement with the MM.

### **Pension Consulting Services**

Our advisory fees for these customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis.

Either party to the pension consulting agreement may terminate the agreement upon 30 days written notice to the other party. The pension consulting fees will be prorated for the quarter in which the termination notice is given and any unearned fees will be refunded to the client.

If you engage us in other business services, such as, Tax Services, Tax Estimates, Tax Projections, Tax Compliance, Tax Consulting, Tax Planning, Accounting Services and Bookkeeping Services, our fees are as follows and are negotiable depending on the scope and complexity of the services rendered:

- Tier 1 \$600
- Tier 2 \$1200
- Tier 3 \$1800
- Hourly fee \$350
- Tax projections \$500

Our fees are due and payable as invoiced.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or

brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through which your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Disclosure Brochure.

Any material conflicts of interest between you and our firm, or our employees are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

### **Compensation for the Sale of Securities or Other Investment Products**

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have a financial incentive to recommend insurance products to you. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

### **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

An employee will typically have four options:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.

- b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
- 2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
- 3. Our strategy may have higher risk than the option(s) provided to you in your plan.
- 4. Your current plan may also offer financial advice.
- 5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 72.
- 6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
- 7. You may be able to take out a loan on your 401k, but not from an IRA.
- 8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
- 9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
- 10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your Account if it falls below a minimum size which, in our sole opinion, is too small to effectively manage.

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

### Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

**Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Technical Analysis** - involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

**Risk:** The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

**Short-Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

**Risk:** Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

**Tax loss Harvesting, Rebalancing and Active stop loss management:** Gerber Kawasaki employs several trading techniques meant to mitigate against potential losses and harvest tax advantages for clients. These strategies sometimes result in frequent trading of a client's account. This trading can affect investment performance due to increased trading costs. As an active manager, we make an effort to keep our clients' portfolios in balance with our recommendations as well as we harvest tax losses in most cases if an investment position reaches a 15% loss. This strategy is meant to prevent further losses and is employed at our discretion. Tax loss harvesting, stop loss and rebalancing does

not guarantee any specific investment result but we employ these strategies in an effort to mitigate potential losses in a market decline. These strategies do incur higher trading costs and possible taxes versus passive investing.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we may recommend various types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

*Note: We may recommend the following:*

#### *Digital Asset Investments*

Digital Asset Investments is an asset that is issued and/or transferred using distributed ledger or blockchain technology ("distributed ledger technology"), including, but not limited to, so-called "virtual currencies," "coins," and "tokens." A particular digital asset may or may not meet the definition of "security" under the federal securities laws.

Digital Assets may become more volatile and less liquid in a very short period of time, resulting in market prices being subject to irregular and abrupt market movement, which could harm your investment. Due to limited history of many Digital Assets, which have only existed for a few number of years, it may be difficult to evaluate Digital Assets, their market movements over time, and future prospects. There is no guarantee that a client will be able to achieve a better than average market price for Digital Assets or will purchase Digital Assets at the most favorable price available. The price of Digital Assets achieved by a client may be affected generally by a wide variety of complex factors such as supply and demand; availability and access to Digital Asset service providers (such as payment processors), exchanges, miners or other Digital Asset users and market participants; perceived or actual security vulnerability; and traditional risk factors including inflation levels; fiscal policy; interest rates; and political, natural and economic events.

There is no assurance that any Digital Asset will maintain its value or that there will be meaningful levels of trading activities. In the event that the price of Digital Assets or the demand for trading Digital Assets decline, your investment would be adversely affected.

### *Mutual Funds and Exchange Traded Funds*

Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

The above does not purport to be a complete list or explanation of the risks involved in an investment strategy. You are encouraged to consult your financial advisor, legal counsel, and tax professional on an initial and continuous basis in connection with selecting and engaging in the services provided by us.

## Item 9 Disciplinary Information

Gerber Kawasaki Wealth & Investment Management has been registered and providing investment advisory services since 2010. Neither our firm nor any of our management persons has any reportable disciplinary information.

## Item 10 Other Financial Industry Activities and Affiliations

### Insurance Agent

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. See the *Fees and Compensation* section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

### Insurance Agency

Gerber Kawasaki Wealth & Investment Management is an insurance agency licensed with the State of California. As such, Associated Persons of our firm may be licensed to sell insurance products through our firm. In this capacity as an insurance agent, such individuals may sell insurance products to advisory clients. These individuals will receive normal and customary commissions as a result of selling insurance as well as advisory fees for providing investment advice through our firm. Clients are hereby advised that such commissions and advisory fees are separate and apart from the fees charged by us. You are under no obligation, contractually or otherwise, to purchase insurance products or receive investment advice through these associated persons in their separate capacities as insurance agents and/or Associated Persons of our firm.

These arrangements present a conflict of interest because we may have a financial incentive to recommend our insurance services. While we believe that compensation charged are competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use our insurance services and may obtain comparable services and/or lower fees through other firms.

### Arrangements with Affiliated Entities

Ross Gerber, President of Gerber Kawasaki Wealth & Investment Management is a non-controlling minority owner of Roundhill Financial Inc., a registered investment adviser. In this capacity, Mr. Gerber provides strategic advice and digital strategy. The strategic advice and digital strategies provided to Roundhill Financial Inc. may differ from the advice and strategies Gerber Kawasaki Wealth & Investment Management may provide to its own clients due to the differing circumstances of Roundhill Financial Inc. and/or its client base. As a fiduciary, Gerber Kawasaki Wealth & Investment Management places its clients interests ahead of its own and is obligated to consider its clients' needs and circumstances in providing advice to its clients. No referral arrangements exist nor are expected between Roundhill Financial Inc. and Gerber Kawasaki Wealth & Investment Management. The overall operations of Roundhill Financial Inc. and Gerber Kawasaki Wealth & Investment Management are separate and independent of each other therefore, such conflict of interest has been mitigated accordingly.

We act as the sub adviser to AdvisorShares Gerber Kawasaki ETF, a registered investment company (the "RIC"). Where appropriate, we will exercise our discretionary authority and without further approval from you, we will invest a percentage of your assets in the RIC. This creates a conflict of interest because we will receive compensation as your investment adviser through our firm and as the sub adviser to the RIC. Except as otherwise required by law for ERISA assets, we do not offset any compensation we receive against fees or expenses you may otherwise pay to us and/or any of our

affiliates. Fees charged by the RIC are separate and in addition to our advisory fees as disclosed under the *Fees and Compensation* section. You should refer to the prospectus for a complete description of fees, investment objectives, risks and other relevant information associated with investing in the RIC. Refer to the *Investment Discretion* section below for additional disclosures on our discretionary authority to manage your investment account.

Certain of our Associated Persons, including executive officers of our firm, may also serve in a control capacity for the RIC. The compensation of these Associated Persons may be based, in part, upon the profitability of the RIC. Our relationship to the RIC may involve sharing or joint compensation, or separate compensation, subject to proper disclosures and the requirements of applicable law.

### **Recommendation of Other Advisers**

We may recommend that you use a third party adviser ("MM") based on your needs and suitability. We may receive compensation from the MM for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third party adviser. You are not obligated, contractually or otherwise, to use the services of any MM we recommend.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting us at 310.399.6397.

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

We act as the sub-adviser to an actively managed exchange-traded fund ("Fund"). Where appropriate, we will exercise our discretionary authority and without further approval from you, we will invest a percentage of your assets in the Fund. This creates a conflict of interest because we will receive compensation as your investment adviser and as the investment adviser to the Fund. Additionally, individuals associated with our firm may buy or sell - for their personal account(s) - investment products identical to those purchased by the Fund. This practice may create a conflict of interest because we have the ability to trade ahead of the Fund and potentially receive more favorable prices than the Fund will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor our Associated Persons shall have priority over the Fund in the purchase or sale of securities.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

## Item 12 Brokerage Practices

We recommend the brokerage and custodial services of LPL Financial ("LPL") Charles Schwab & Co., Inc. ("Schwab"), Vontobel Securities Ltd. ("Vontobel") and Gemini Trust Company, LLC ("Gemini"), (whether one or more "Custodian"). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

### Research and Other Soft Dollar Benefits

We do not receive additional brokerage products and services that considered to have been paid for with "soft dollars."

### Economic Benefits

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

### Schwab - Your Custody and Brokerage Costs

For our clients' accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab's commission rates and/or asset-based fees applicable to our client accounts were negotiated based on our commitment to maintain a certain dollar amount of our clients' assets statement equity in accounts at Schwab. This commitment benefits you because the overall commission rates and/or asset-based fees you pay are lower than they would be if we had not made the commitment. In addition to commission rates and/or asset-based fees Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

## **Schwab Adviser Services**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage - trading, custody, reporting and related services - many of which are not typically available to Schwab retail customers. Schwab 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. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us.

### Services that Benefit You

Schwab'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 Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

### Services that May Not Directly Benefit You

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab'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 Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

### Services that Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession;
- access to employee benefits providers, human capital consultants and insurance providers; and
- discount of up to \$4,250 on PortfolioCenter® Reporting Software.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

## **Our Interest in Schwab's Services**

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

that our selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services (based on the factors discussed above - see "The Custodian and Broker We Use") and not Schwab's services that benefit only us. We do not believe that maintaining our client's assets at Schwab for services presents a material conflict of interest.

### **Custodial Services with Vontobel**

Vontobel is a Swiss banking and financial institution that will serve as our custodial partner for our global clients. Vontobel provides us with unparalleled service and access based on in-depth worldwide investment expertise to private clients, institutional investors, and financial market intermediaries in the domestic Swiss market and key international markets.

Since partnering with Vontobel, we will be able to provide the following for our clients:

- Service and manage assets across the globe
- Trading and execution across many different markets
- Ability to hold and trade multiple currencies
- Tax reporting capabilities depending on jurisdiction
- Accounts for individuals, entities and trusts
- State of the art technology to monitor and access your portfolios

### **Custodial Services with Gemini**

Gemini is a digital currency exchange and custodian under New York Banking Law, that allows customers to buy, sell, and store digital assets. It is a New York trust company that is regulated by the New York State Department of Financial Services (NYDFS).

Gemini Exchange provides trading features for both institutions and individuals, including:

#### *Services*

OTC Clearing and Settlement (New!)

Daily Auction

Gemini Block Trading

Market Data

#### *Trade Interface*

Gemini ActiveTrader™

API Connectivity (REST, FIX, Websockets)

Gemini Mobile App (iOS, Android)

In a Gemini Custody account, customers' digital assets are segregated, using unique digital asset addresses, which are independently verifiable and auditable on their respective blockchains. All segregated digital assets are custodied and secured offline in Gemini's proprietary Cold Storage System, which utilizes multi-sig technology requiring multiple custodians to visit geographically dispersed, 24/7 access controlled facilities, requiring multiple layers of biometric access to gain entry.

Service providers that support Digital Assets and the Digital Asset marketplace(s) may not be subject to the same regulatory and professional oversight as traditional securities service providers. Further, there is no assurance that the availability of and access to virtual currency service providers will not be negatively affected by government regulation or supply and demand of Digital Assets. Accordingly, companies or financial institutions that currently support virtual currency may not be able to do so in the future.

### **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**

We routinely require that you direct our firm to execute transactions through LPL or Schwab. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

### **Aggregated Trades**

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "aggregated trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, participating accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in aggregated trading with your accounts; however, they will not be given preferential treatment.

We combine multiple orders for shares of the same securities purchased for discretionary accounts; however, we do not combine orders for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

## **Item 13 Review of Accounts**

For investment management services, your account is reviewed at least quarterly. Additionally, the Associated Person servicing your account will attempt to conduct a formal review with you at least annually.

Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

We will not provide you with additional or regular written reports in conjunction with account reviews. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

## Item 14 Client Referrals and Other Compensation

We may receive economic benefits in the form of sponsorships and/or marketing reimbursements from non-affiliated third-parties. As part of our fiduciary duty, we endeavor at all times to put the interests of our clients first. While these benefits do not influence the investment advice we offer to you, we nevertheless feel that it should be disclosed as it creates receipt of economic benefits from a non-client in and of themselves creates a potential conflict of interest. This arrangement does not cause our clients to pay any additional transaction fees beyond those that are traditionally charged by our firm and/or other service providers.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

### **Forgivable Loan**

Furthermore, through the normal course of our business, we have received forgivable loans from LPL Financial. The forgivable loans are provided to assist in the growth of our firm, and are not dependent on providing a certain amount of business to the broker-dealer.

### **Solicitor Arrangements with Employees**

We have entered into contractual arrangements with an employee of our firm, under which the individual receives compensation from our firm for the establishment of new client relationships. Employees who refer clients to our firm must comply with the requirements of the jurisdictions where they operate. The compensation is a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. You will not be charged additional fees based on this compensation arrangement. Incentive based compensation is contingent upon you entering into an advisory agreement with our firm. Therefore, the individual has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

## Item 15 Custody

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact us at 310.399.6397.

## Item 16 Investment Discretion

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. In our sole discretion, we may allow you to limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. Please refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## Item 17 Voting Client Securities

### Proxy Voting

#### *Wealth Management Services*

If we provide wealth management services to you, we will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

#### *Exchanges Traded Fund Sub-Adviser Services*

In our capacity as sub-adviser to the portfolio of AdvisorShares Gerber Kawasaki ETF ("Funds"), we will determine how to vote proxies based on our reasonable judgment of the vote most likely to produce favorable financial results for the Fund. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders. Generally, proxy votes will be cast against proposals having the opposite effect. However, we will consider both sides of each proxy issue. Unless we receive specific instructions from you, we will not base votes on social considerations.

Except in the case of a conflict of interest as described below, we do not accept direction from you on voting a particular proxy.

Conflicts of interest between you and our firm, or a principal of our firm, regarding certain proxy issues could arise. If we determine that a material conflict of interest exists, we will take the necessary steps to resolve the conflict before voting the proxies. For example, we may disclose the existence and nature of the conflict to you, and seek direction from you as to how to vote on a particular issue; we may abstain from voting, particularly if there are conflicting interests for you (for example, where your account(s) hold different securities in a competitive merger situation); or, we will take other necessary steps designed to ensure that a decision to vote is in your best interest and was not the product of the conflict.

We keep certain records required by applicable law in connection with our proxy voting activities. You may obtain information on how we voted proxies and/or obtain a full copy of our proxy voting policies and procedures by making a written or oral request to our firm.

## Item 18 Financial Information

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or

- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

## **Item 19 Requirements for State Registered Advisers**

Our firm is registered with the SEC; therefore, no response is required for this item.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any non affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will never sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact us at 310.399.6397, if you have any questions regarding this policy.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.