FORM ADV: Uniform Application for Investment Adviser Registration Part 2A – Firm Brochure

Item 1: Cover Page

Name of Investment Adviser:	**Xantos Labs, LLC**
CRD #:	**302005**
Business Address:	**106 E 6th St #900, Austin, TX**
Website:	**www.xantoslabs.com**
Date of Brochure:	**February 12, 2024**

This wrap fee program brochure (the "Brochure") provides information about the qualifications and business practices of Xantos Labs LLC, an investment adviser registered with the United States Securities and Exchange Commission ("SEC"). The Firm's registration does not denote a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at support@xantoslabs.com

The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Additional information about Xantos Labs LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

Xantos Labs has made the following material changes to its last amendment to the Brochure which was dated February 2024:

- Item 4 and Item 8: Highlighted nature of general consulting services

The above list only shows material changes. Additional updates were made incidental to the above material changes.

ITEM 4: ADVISORY BUSINESS

Xantos Labs LLC ("Xantos" or the "Firm") is a registered investment adviser formed as a legal entity in the State of Texas in December 2018. The firm implements quantitative investment strategies on behalf of its clients. It provides investment management services to client accounts that invest in a variety of securities. All client accounts managed by the Firm are hereinafter referred to as "Xantos managed accounts" or "XMAs". Principal owners owning 25% or more of the Firm include Mr. Chukwuchebem Orakwue who serves as the Managing Partner and Chief Compliance Officer.

Xantos provides a range of investment advisory services that fall generally into two categories: general consulting services and discretionary advisory services.

General Consulting Services:

Xantos assists certain clients in developing investment guidelines and long-term policy objectives, allocating financial resources and controlling risks. Additionally, we may assist in supervising investment manager transitions, developing crisis response plans, directing cash flows, and/or negotiating investment manager fees, among other activities. We also offer monitoring services to our clients which consists of a written report analyzing material developments to an investment portfolio during the applicable period and highlighting material risks or irregularities. Generally, we present these written reports to client representatives. The general consulting services are offered on a discretionary or non-discretionary basis.

Discretionary Advisory Services:

Xantos provides discretionary advisory services to certain clients. We use a combination of fundamental and quantitative analysis - specifically, mathematical and statistical methods, to uncover technical indicators that drive its automated trading and portfolio management systems. These systems, or models, are the product of an extensive research effort by Xantos' technical staff who hold advanced degrees in engineering, finance, and economics. The Firm's quantitative analysis and trading activities are applied to mature, highly liquid, global equity securities that are publicly traded on U.S. securities exchanges.

Generally, the Firm provides its advisory services to client accounts employing long-only trading strategies in U.S. and non-U.S. securities that are publicly traded on U.S. securities exchanges. Thus, in effect, Xantos trades on behalf of investors using the aforementioned strategies. The Firm offers services to individuals, pension and profit-sharing plans, trusts, estates, foundations, charitable organizations, corporations, and business entities. The firm exclusively operates as an internet-based adviser and provides its advisory services to all of its clients exclusively through computer software-based models in accordance with Advisers Act rule 203A-2(e).

For retail clients or individuals, the Firm does not tailor its advisory services to investor requirements. Furthermore, the Firm does not accept client-imposed investment guidelines and restrictions for any retail client.

For certain non-retail clients, our advisory services may be tailored to the specific investment objectives, policies, guidelines and restrictions of each client account. Such clients may impose restrictions on their account by discussing desired investment limitations and providing us with a written list of restrictions and limitations.

The firm bundles or "wraps" services together and charges a single fee based on the value of assets under management. The wrap program covers advisory, trade execution, administrative, custody, and reporting. A client must also open a securities brokerage account with one of the Firm's recommended broker-dealers and provide discretionary authority over that account to Xantos Labs. Brokerage accounts, agreements, and order processing will be conducted through SEC-registered broker-dealers that provide brokerage-related services to Xantos Labs LLC and its clients. The Firm does not provide comprehensive financial or tax planning or legal advice. Furthermore, the Firm is not responsible for withholding any tax penalties that may apply to clients' accounts or for any state or federal income tax withholding, except as may otherwise be required by applicable law.

The equity shares purchased or sold on behalf of a Client and/or held in Client accounts may be either whole shares or fractional shares. The Firm enables notional-based investing, whereby the Firm can buy a fixed dollar amount rather than whole shares. Fractional investing is limited to certain types of securities. The liquidity and trade execution timing of fractionable securities may affect the price, voting rights, transferability issues, and dividends of the underlying securities. Fractional shares are not marketable or transferable outside of a Client's account to another brokerage account. In the event of a liquidation or transfer of the assets in a Client's account to another account, the Firm may convert such fractional shares to cash.

As of 12/31/2023, the Firm's regulatory assets under management (rounded to the nearest $100,000) totaled $1,400,000. All assets are managed on a discretionary basis.

ITEM 5: FEES AND COMPENSATION

The Firm's Advisory fees are set forth in the Investor Advisory Agreement. The fees are not negotiable and lower fees for comparable services may be available from other sources.

The Firm charges a "wrap" fee which allows clients to pay a single fee for investment advisory services (the "Wrap Program Fee"), as described below. The Wrap Program Fee is not based upon transactions in a client account, but rather is a bundled fee, which includes the costs for advisory services, execution, clearance, custody, and account reporting.

The Firm charges a Wrap Program Fee of the greater of a fixed $5 (flat fee) or 200 basis points (2.00%) per year (asset-based fee), charged monthly. Asset-based fees are prorated and charged monthly, in arrears, based upon the market value of the average daily account balance of the securities portfolio over the preceding month. Wrap Program Fees are payable regardless of profitability and may be charged during periods of loss. The Firm may from time to time, in its sole discretion, offer lower fees through promotions, referrals and other discounts to some clients that differ from the Wrap Program Fee stated above.

The Wrap Program Fee includes most trade charges applicable to an account. However, certain other fees are not included in the Wrap Program Fee and are paid for separately by the client.

Client accounts managed by Xantos bear the following expenses:

1. Transaction costs (ACH, wire, or other transfer fees), paper statement fees, returned ACH or bank check fees, account transfer fees, margin interest charges, and other services.

2. In connection with specific transactions, certain professional fees for independent accountants, attorneys, or other experts or consultants (note that Xantos pays certain operating costs, including, e.g., those incurred with respect to auditing financial statements, and preparing tax returns, as well as professional fees of attorneys unrelated to specific transactions and, if applicable, corporate services provider fees);

3. extraordinary expenses (e.g., litigation costs and indemnification obligations), if any; and

4. taxes and fees payable to governmental agencies or authorities.

5. legal, bookkeeping, accounting, administration, auditing, tax preparation, insurance, and related charges;

No supervised person(s) at the Firm accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. For additional information on the Firm's brokerage practices, refer to Item 12.

In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

As described above, a portion of the Wrap Program Fee is used to cover the securities brokerage commissions attributed to the management of Clients' XMA. The number of transactions made in Clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per-transaction basis and paying a separate fee for advisory services. Services provided through the Firm's Program may cost Clients more or less than purchasing advisory and

execution (brokerage) services separately. The Firm's Wrap Program Fee may also be higher or lower than fees charged by other wrap sponsors of comparable investment advisory programs. Since the Firm pays the transaction charges in the Client's account, there is a financial incentive for the Firm not to place transactions in the Client's account, to place fewer trades, or to trade less frequently. A wrap fee account may not be in the best interest of a Client with minimal or no trading activity as compared to a non-wrap fee account or brokerage account where the Client would otherwise pay trading costs as incurred but a lower fee in a non-wrap account or no advisory fee in a brokerage account. In that case, Clients would not receive the services provided by the Firm, which are designed, among other things, to determine which investments are appropriate for the portfolio and the Client's account. The Firm's decision to trade or rebalance a portfolio will largely be guided by its process, which is driven by both proprietary qualitative and quantitative methods. Aside from covering most of the Client's fees to our broker-dealer and transaction costs, fees associated with the Program include access to our proprietary investment strategies and in-house research and therefore are higher than a typical advisory fee for a mutual fund, traditional ETF, or similar advisory product. The Firm believes its Wrap Program Fee is reasonable considering the quality and scope of the services it provides and the fees charged by other investment advisers offering similar services/programs.

The Firm in its sole discretion may from time to time offer lower fees through promotions, referrals and other discounts to some accounts that differ from the Wrap Program Fee stated above. Conversely, from time to time, the Firm may in its sole discretion also raise its Wrap Program Fee. Any such program or initiative may be expanded, narrowed, suspended, canceled, or modified at any time by the Firm in its sole discretion. To the extent any such program or initiative is canceled or terminated, Clients will once again be charged the then-current Wrap Program Fee on a going-forward basis. The Firm shall have sole discretion in determining whether or not any existing Client or potential Client meets the requirements to participate in and/or benefit from any such program or initiative, and The Firm shall not be liable to the Client or any other party in connection with any such decision and/or in connection with the administration of any such program or initiative generally.

Account Additions and Withdrawals: Clients may make additions to and withdrawals from their account at any time, subject to the Firm's right to terminate an account. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Clients are advised that when securities are liquidated, they may be subject to transaction fees, and/or tax ramifications.

ITEM 6: PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described above, the Firm provides its advisory services to client accounts. Investors are able to benefit from the quantitative analysis and in-house developed trading strategies; they are not charged performance-based fees (i.e., a fee based on a share of capital gains or

capital appreciation of a Client's assets). Given the nature of the Firm's trading systems and strategies, no subset of investors can be favored over another.

As there are no differences in trading strategies, and given that funds are not pooled, there are no potential conflicts across clients regarding order placement or allocation. The Firm operates its models independently for each client account; they do not interact with one another.

ITEM 7: TYPES OF CLIENTS

The Firm offers services to individuals, pension and profit-sharing plans, trusts, foundations, estates, charitable organizations, corporations, business entities, endowments, other US and non-US institutions and entities. As set forth above in Item 4: Advisory Business, Xantos' clients include the Accounts.

Accounts	**Minimum Initial Investment**	**Minimum Investment Required to Maintain Account**
Individual	$500	$500, as applicable, or such lesser amount as Xantos or its principals may permit
All others	$500,000	$500,000, as applicable, or such lesser amount as Xantos or its principals may permit

The firm may, in its sole discretion, negotiate or waive these minimums from the range set forth above based upon certain criteria, such as anticipated future earning, capacity, anticipated future additional assets, the dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention, and pro bono activities.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General Consulting Services

As indicated above in Item 4, our general consulting services typically incorporate, among other things, long-term policy and asset allocation construction, and risk mitigation.

Long-Term Policy — Generally, we initiate a new client relationship by conducting a review that is designed to:

- identify and describe the major components and characteristics essential to the long-term success of the client's investment portfolio;
- provide a brief review of such components and the client's present investment portfolio status; and
- develop a long-term action plan, including the priority level for each action.

Asset Allocation Construction — We develop forecasts for the potential returns and risks of various investment assets. Aided by statistical models and scenario tests, we seek to anticipate the behavior of various blends of asset classes. Using this information, we recommend several viable asset allocation policies, consistent with the particular client's objectives and limitations. We then work with the client to implement the asset allocation policy via investments in global equity securities that are publicly traded on U.S. securities exchanges or made with third-party investment managers.

Risk Mitigation — Financial markets are risky and volatile. We seek to help clients mitigate risks by advising them to diversify, avoid "fads" and speculation, and to plan carefully.

Discretionary Advisory Services

The Firm uses quantitative analysis, specifically, mathematical and statistical methods. This analysis is used to construct proprietary computer models that use publicly available financial data to identify and implement trading decisions. The Firm uses these computational trading models to seek appreciation of assets through speculative trading in securities-related financial instruments. The firm exclusively operates as an internet investment adviser and provides its advisory services to all of its clients exclusively through computer software-based models in accordance with Advisers Act rule 203A-2(e).

The Firm trades global equity securities that are publicly traded on U.S. securities exchanges thereon with the objective of achieving a long-term risk-adjusted return that, on a gross basis, exceeds that of the XMAs' benchmark index; the Standard & Poor's 500 Index with dividends reinvested.

Prospective investors in Xantos client accounts should be aware that their investments are speculative and volatile, involve a substantial degree of risk, and are suitable only for

investors who can tolerate significant risk. Past performance is not indicative of future performance, and there is no assurance that any of the accounts will achieve their investment objectives, particularly in periods of market turmoil. Investors may experience a loss of some or all of their investments in their accounts. Investors may also incur tax-related risks and should discuss such risks with their tax advisers. Investors have limited liquidity rights but account positions and transactions will generally be disclosed to investors, though investors do not participate in management decisions.

If a Xantos client account is unable to obtain prompt execution of its orders at desired prices, the account's performance may be adversely affected. In addition, the accounts are subject to the risk of loss if their financial intermediaries become insolvent or bankrupt or are unable to satisfy creditor claims, deliver securities in their custody, or execute transactions. In these circumstances, the accounts' operational capabilities or capital positions could be impaired.

Changes in existing law and government regulations may adversely affect the returns of the accounts. New interpretations of existing laws and regulations might also cause an account to become the target of regulatory proceedings. In recent years, new laws and regulations have provided additional oversight of financial markets around the globe. These include more stringent registration and disclosure requirements and other heightened oversight requirements for private investment funds and their advisers; new or increased restrictions with respect to certain trading techniques and related financial instruments (e.g., short sale restrictions, clearing and trading of over-the-counter derivatives, and enhanced speculative position limits); potential changes to the tax treatment of U.S. and non-U.S. investment vehicles and their advisers; the creation of a single systemic risk regulator with oversight and authority over substantially all U.S. financial markets; and other substantial changes to the broader legal and regulatory framework in which such funds operate. Many of the changes are found in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act"). While many provisions of the Dodd-Frank Act have become effective, some important implementing rules and regulations (including many relating to derivatives) have not yet been finalized, so their full impact is unknown. The regulation of private investment vehicles and their transactions is also subject to future modification by further legislative, executive, or regulatory action as well as judicial review. In addition, federal, state, local, or foreign regulations may contain reporting or other disclosure requirements that may impose an onerous administrative burden on an account or require the disclosure of confidential information. As a result, the Firm may initiate certain holding limits on an account or reduce the size of certain positions.

The accounts rely on the Firm's information and data management systems, which can fail or be subject to interruption or destruction caused by natural or man-made occurrences. Any failure, interruption, or destruction of the Firm's information technology systems or data could have a material adverse impact on the trading and portfolio management operations on the accounts and result in the theft, disclosure, or loss of sensitive information.

THE FOLLOWING IS A BRIEF SUMMARY OF THE MATERIAL RISKS ASSOCIATED WITH THE FIRM'S METHODS OF ANALYSIS AND INVESTMENT STRATEGIES.

Investing in securities involves the risk of loss that clients should be prepared to bear.

The activities of the Firm on each account are speculative and involve a high degree of risk. There is no assurance that the Firm's computational and risk management techniques and investment decisions will not expose an account to significant losses. In addition, the Firm's analytical techniques cannot provide any assurance that an account will not be exposed to significant trading losses if the underlying patterns of market behavior studied by the Firm (which provide the basis for its statistical models) change in ways the Firm did not anticipate.

The Firm's strategies and trading systems make extensive use of computers. The Firm directs the purchase or sale of investments for the accounts in accordance with computer-generated trades. The use of a computer in collating information or in developing and operating a trading method does not assure the success of the method. A computer is merely an aid in compiling and organizing information and in executing algorithms developed by human beings. In addition, while the Firm rarely intervenes in its computer trading systems, there may be occasions on which human beings must manually input corrections or updates to the data or models used by the computer system. Accordingly, no assurance is given that the trading decisions based on computer-generated information (and, in certain cases, occasional human intervention) will produce profits for the accounts.

Trading decisions made by the Firm for each account are based on a variety of statistical models, including forecast models, risk models, cost models, and beta models. As applicable, the profitability of an account depends on the accuracy of the underlying forecast and cost models; the risk control of an account relies on the accuracy of the risk models; the market exposure of a client account relies on the accuracy of the beta models. No assurance can be given of their accuracy. Flaws in these models could prevent an account from achieving its investment objectives.

The Firm may engage in hedging activities on behalf of its managed accounts to attempt to reduce risk. There is a substantial risk, however, that such hedges will not be effective in limiting losses. In fact, such hedges could result in a substantial loss, notwithstanding the fact that they were intended to reduce risk. Many hedging instruments may encumber a small amount of cash relative to the magnitude of the risk assumed. Furthermore, many hedging instruments may result in a loss if the other party to the transaction does not perform as promised. In addition, the Firm uses various risk control measures – including adjustments to reserves – to attempt to reduce market and other risks. There is no assurance that these risk control measures will be successful.

Many countries have been susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu, and, currently, the novel coronavirus (COVID-19).

Epidemics or pandemic outbreaks of infectious disease, together with any resulting restrictions on travel, transportation, or production of goods, stay-at-home orders, or quarantines imposed, will likely have a negative impact on the business activity in some if not all of the countries in which the Firm invests and on the regional, or global economy, thereby adversely affecting the performance of the investments. A continued escalation in any outbreak could see a continual and drastic decline in global economic growth. Epidemics may led to significant volatility in the global financial markets, and any future outbreak of an infectious disease or any other serious public health concern may lead to additional volatility and illiquidity of the Firm's investments, the imposition of emergency or extraordinary regulatory restrictions on markets and trading activities, and significant interruption in the normal business activity of Xantos and the Fund's other service providers (including financial intermediaries), which could materially harm the Firm's investments and negatively affect the performance of investments in Xantos' managed accounts.

Xantos' managed accounts or XMAs encounter the following set of risks based on its style of trading and investment objectives.

- **High Portfolio Turnover:** The XMAs may be subject to a high portfolio turnover rate, which results in high transaction costs. In addition, the XMAs' trading activities can generate taxable income for investors that is significantly greater or less than the investor's net economic gain or loss.
- **Non-U.S. Equity Risks:** The XMAs trades in U.S. and non-U.S. equity securities that are publicly traded on U.S. securities exchanges. Trading in non-U.S. securities markets exposes the XMAs to additional risks. Non-U.S. securities markets may not be as developed, liquid, or efficient as those in the U.S., and securities of non-U.S. issuers may be less liquid and their prices more volatile than comparable securities of U.S. issuers that are traded on U.S. exchanges. Non-U.S. markets and non-U.S. issuers of securities generally are subject to less stringent or different regulations than are U.S. markets and issuers. Custodial and brokerage expenses for transactions in non-U.S. equity securities may be higher than for transactions in U.S. securities. Since non-U.S. securities are often purchased with and payable in foreign currencies, the value of these assets as measured in U.S. dollars may be affected by changes in currency rates and exchange control regulations.
- **Exchange Traded Funds (ETFs):** – The XMAs trade ETFs. ETFs represent shares of ownership in either funds or unit investment trusts that hold portfolios of common stocks, bonds, or other instruments and are generally designed to correspond to the return of the relevant index.
- **Long Holding Periods**: The accounts' portfolio may be exposed for long periods of time to market risks with respect to particular positions held. Given that market movements are more difficult to predict over the long term than in the short term, these long holding periods may exacerbate the potential risk of loss.
- **Position Size:** The XMAs may hold significant individual positions. Such large positions can be difficult to exit quickly without affecting their prices.

- **Standard Deviation:** The XMAs may operate with a target for empirical standard deviation. There can be no assurance that this standard deviation target will be met. The target is not a guarantee or prediction of volatility.
- **Automated Investing:** The XMAs relies on static questionnaires consisting of a limited number of questions that form the sole basis for its investment recommendations. Such questionnaires are very limited in nature. The questions may not, or may not accurately, capture an individual client's needs. Although clients may change and update their responses, The Firm does not, at this time, make investment advisory personnel available to clients to highlight and explain important concepts or clarify the details of a specific client's financial goals and needs. Online and electronic interactions are limited compared to face-to-face individual advice.
- **Fractional shares:** XMAs enables notional-based investing, whereby the Firm can buy a fixed dollar amount rather than whole shares. Fractional investing is limited to certain types of securities. The liquidity and trade execution timing of fractionable securities may affect the price, voting rights, transferability issues, and dividends of the underlying securities. Fractional shares are not marketable or transferable outside of a Client's account to another brokerage account. In the event of a liquidation or transfer of the assets in a Client's account to another account, the Firm may convert such fractional shares to cash.

Risks to trading in **equities** include but are not limited to the following:

- **Volatility:** Securities prices are highly volatile due to changing supply and demand relationships, changes in interest rates, currency fluctuations, and government, trade, fiscal, and economic events.
- **Currency Fluctuations and U.S. Dollar-Denominated Securities:** Issuers of U.S. dollar-denominated securities are subject to currency fluctuations between the value of the U.S. dollar and the other currencies in which they transact business.
- **Short Sales:** There is a theoretically unlimited risk of an increase in the market price of securities sold short.

ITEM 9: DISCIPLINARY INFORMATION

There are no legal or disciplinary events that would be material to a client or prospective client's evaluation of the advisory business of the Firm or to the integrity of its management.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Xantos' affiliate, Xantos Technologies Ltd ("XTL"), is a Nigeria-based firm seeking regulatory license with Nigerian Securities and Exchange Commission to operate as a individual digital sub-broker. Certain of Xantos' personnel are registered representatives of XTL, to the extent

necessary or appropriate to perform their responsibilities. XTL intends to primarily introduce Clients to full-service carrying brokers.

No management persons of the Firm are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

The Firm and its related persons do not recommend or select other investment advisers for the Firm's clients. Additionally, the Firm and its related persons do not receive compensation directly or indirectly from any advisers that create a material conflict of interest.

No management persons of the Firm maintain any relationship or arrangement that is material to the Firm's advisory business or clients.

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

Xantos has adopted a Code of Ethics ("Code") pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 that is applicable to employees of Xantos and its subsidiary ("Employees"). The Code and other written policies set forth in the Firm's Code of Ethics and Compliance Manual require Employees to exercise their authority and responsibility for the benefit of clients and to refrain from activities that may conflict with the interests of clients, including, among other things, policies and procedures that do the following:

- prohibit trading on the basis of material nonpublic information;
- prohibit Employees from taking personal advantage of opportunities belonging to clients;
- place limitations on personal trading by Employees and impose reporting obligations with respect to such trading;
- require Employees to obtain preclearance of transactions in private placements;
- prohibit Employees from participating in initial public offerings;
- impose limitations on the giving or receiving of gifts and entertainment;
- place limitations on political contributions by certain Employees and impose reporting obligations with respect to such contributions pursuant to "pay to play" rules; and
- restrict Employees' outside business activities.

The Chief Compliance Officer monitors compliance with these and all other aspects of the Code and related Firm policies.

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

Employees may invest to a limited extent in the same securities recommended for the accounts, subject to significant personal trading restrictions, including (i) an account approval requirement, (ii) an account reporting requirement, (iii) a preclearance requirement, (iv) a holdings and transaction disclosure requirement, (v) a holding period requirement, and (vi) a trading ban with respect to certain instruments. Exceptions may be granted only with the approval of the Firm's Chief Compliance Officer.

Xantos' Employees, as described above, are subject to significant personal trading restrictions, including a holding period requirement. This, coupled with the Firm's style of trading (described above in both Item 3: Advisory Business and Item 8: Methods of Analysis, Investment Strategies and Risk of Loss), reduces the risk of an Employee trading securities for his or her personal account(s) at or around the same time that an account is trading the same securities.

Neither the Firm nor any persons associated with the Firm have any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure. All and any material conflict of interests has been disclosed in this brochure.

ITEM 12: BROKERAGE PRACTICES

Xantos does not aggregate orders across client accounts. The Firm operates the models for each client account independently from one another; they do not interact with each other. The models direct the purchase or sale of investments for the client account independently from one another in accordance with computer-generated trades. As the Firm does not aggregate orders, allocated securities are based on the average price independently achieved for each client account. To minimize the cost to clients of not aggregating when executing such a transaction via broker-dealers, the Firm considers the commission rates and execution capability in selecting broker-dealers.

As a matter of policy in selecting broker-dealers to execute transactions for its clients, the Firm seeks the best available overall terms, based on a variety of factors, including the ability to achieve prompt and reliable executions at favorable prices; the operational efficiency with which transactions are effected; the competitiveness of commission rates; the borrowing terms or securities lending arrangements available from the broker; and the financial strength, integrity, and stability of the broker. Recognizing the value of these factors, Xantos may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction or series of transactions. Xantos regularly evaluates the placement of brokerage and the reasonableness of commissions paid. However, the Firm is not obligated to solicit competitive bids or seek the lowest available commission costs.

Although Xantos also may consider the quality, comprehensiveness, and frequency of available research and related services to be of value, Xantos will not receive any "soft dollar" benefits from brokers. If in the future Xantos determines that it will accept research, it will pay

using hard dollars or soft dollars in accordance with Section 28(e) of the Securities Exchange Act of 1934, as amended. It will be disclosed to investors and generally used for the benefit of all clients.

Some Clients may instruct the Firm to use one or more particular brokers for the transactions in their Accounts. Clients who may want to direct the Firm to use a particular broker should understand that this may prevent the Firm from obtaining the most favorable net price and execution. Thus, when directing brokerage business, Clients should consider whether the commission expenses and execution, clearance, and settlement capabilities that they will obtain through their broker are adequately favorable in comparison to those that the Firm would otherwise obtain for its Clients. Clients are encouraged to discuss available alternatives with the Firm.

The Firm recommends the brokerage and custodial services of Alpaca Securities LLC ("Alpaca") and Clients are generally limited to the recommended Custodian. In all cases, the recommended Custodian is a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Not all advisers require clients to direct brokerage. This recommendation is made solely due to the nature of the Firm's trading strategies and the Firm has no economic relationship with the recommended Custodian that creates a material conflict of interest. The Firm believes that the recommended Custodian provides quality execution services for clients at competitive prices. Price is not the sole factor we consider in evaluating the best execution. The Firm also considers the quality of the brokerage services provided by the Custodian, including the value of the Custodian's reputation, execution capabilities, commission rates, technological capabilities, and responsiveness to our clients and our firm. 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.

The Firm does not receive Client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

ITEM 13: REVIEW OF ACCOUNTS

Xantos monitors compliance with the investment objectives of its clients at quarterly meetings attended by all principals. At these meetings, the previous quarter's performance and any matters that led to system adjustments may be reviewed and discussed. Proposed enhancements and changes to the Firm's computerized models are reviewed and approved when appropriate.

The Firm reviews client accounts on a periodic basis as set forth above. Additional reviews may be conducted at the request of senior management.

Chukwuchebem Orakwue, Managing Partner; will monitor client accounts on an ongoing basis and will conduct account reviews at least quarterly, to ensure the advisory services provided are consistent with investment needs and objectives. The individuals conducting reviews may vary from time to time, as personnel join or leave the Firm. Additional reviews may be conducted based on various circumstances, including, but not limited to

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

The Firm will provide additional or regular written reports in conjunction with account reviews to investors in XMAs. The reports will contain relevant account and/or market-related information such as a list of holdings and account performance, etc. Investors in XMAs will receive trade confirmations and monthly or quarterly statements from the broker-dealer, bank or other qualified custodian.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Xantos Labs maintains a referral program pursuant to which existing clients are compensated for referring new clients. Referrers are not employees, contractors, or agents of Xantos Labs. Xantos Labs will provide economic benefits, such as a reduction or waiver of Xantos Labs investment management fees or credit a dollar amount to clients for their referral of family and friends who become clients of Xantos Labs. If a client engages in any referral activities, client covenants, represents, and warrants: (i) it is not subject to any disciplinary actions as those stated in Rule 206(4)-3(A)(1)(ii) under the Investment Advisers Act of 1940 and/or any applicable state law, and (ii) it will abide by such reasonable instructions or directions that Xantos Labs may provide from time to time. If a client were referred by a friend, family member, or any other person engaging in referral activities for Xantos Labs, the client hereby acknowledges that it has received a document detailing the disclosure required under Rule 206(4)-3 under the Investment Advisers Act of 1940 and hereby further acknowledges that any such referral does not constitute an endorsement of Xantos Labs for any purpose.

The Firm may directly compensate third-party non-employee (outside) consultants, (non-client) individuals, and/or entities (Solicitors) for Client referrals. Such third parties include but are not limited to bloggers, YouTube reviewers, etc. In order to receive a cash referral fee from the Firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If a prospective Client were referred to the Firm by a Solicitor, the Client should have received a copy of this Disclosure Brochure along with the Solicitor's disclosure statement at the time of the referral. If the prospect becomes a Client, the Solicitor that referred the Client to the Firm will either receive a percentage of the advisory fee the Client

pays the Firm for as long as they remain a Client with the Firm, or until such time as the agreement with the Solicitor expires, or a one time, flat referral fee upon the prospective Client signing an advisory agreement with the Firm. Clients will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon the Client opening an account managed by Xantos. Therefore, a Solicitor has a financial incentive to recommend the Firm to others for advisory services. This creates a conflict of interest; however, Clients are not obligated to retain the Firm for advisory services. Comparable services and/or lower fees may be available through other firms. Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. The firm requests that its Solicitors disclose to prospective Clients whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

ITEM 15: CUSTODY

All funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. The Firm does not have physical custody of any assets of the XMAs, but some Clients permit the Firm to deduct advisory fees directly from the XMAs. In addition to these services, clients authorize us to give the custodian instructions for the purchase, sale, conversion, redemption, exchange, or retention of any security, cash or cash equivalent, or other investments for the client's account. The Firm may, but is not obligated to, issue separate written reports regarding the Accounts to the Client. These reports may include a list of current holdings, performance data, a statement of gains and losses, advisory fees, or a financial markets summary. Investors in XMAs will receive trade confirmations and monthly or quarterly statements from the broker-dealer, bank, or other qualified custodians. The account statements from other qualified custodian(s) will indicate the amount of the Firm's advisory fees, if any, deducted from the Client Account(s) each billing period. Clients are urged to compare any reports received from Xantos Labs to the statements received from Custodian. Clients will receive transaction confirmations from Custodian shortly after executing purchases and sales. Additionally, the Custodian will send statements to the Client as stated in the Custodian Agreement. This ability to deduct the Firm's advisory fees directly from the Client Account(s) does not cause the Firm to have custody over the Client's funds or securities.

ITEM 16: INVESTMENT DISCRETION

Subject in certain instances to restrictions contained in its investment management agreements described below, the Firm will be granted discretionary authority to determine the type and amount of securities to be purchased or sold for the accounts as well as the broker or dealer to be used for a purchase or sale of securities for the accounts.

The Firm exercises its investment authority on behalf of the trading entities within each account pursuant to provisions in each of the trading entities' investment management

agreements, as applicable. The Firm exercises its investment authority on behalf of the Accounts pursuant to written investment management agreements.

ITEM 17: VOTING CLIENT SECURITIES

The Firm does not exercise voting authority over Client proxies.

The Firm does not retain the authority to vote on any proxies that are solicited for securities held in the Accounts. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent. The Firm does not take any action or render any advice with respect to the voting of proxies solicited by or with respect to the issuers of securities in which assets of the Accounts may be invested from time to time.

ITEM 18: FINANCIAL INFORMATION

The Firm does not require prepayment of more than $1,200 in fees per client, six months or more in advance. Accordingly, no balance sheet is attached.

The Firm is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients.

The Firm has never been the subject of a bankruptcy petition.

FORM ADV: Uniform Application for Investment Adviser Registration Part 2A Appendix 1 – Wrap Fee Program Brochure

Item 1: Cover Page

Name of Investment Adviser:	**Xantos Labs, LLC**
CRD #:	**302005**
Business Address:	**106 E 6th St #900, Austin, TX**
Website:	**www.xantoslabs.com**
Date of Brochure:	**February 12, 2024**

This wrap fee program brochure (the "Wrap Brochure") provides information about the qualifications and business practices of Xantos Labs LLC, an investment adviser registered with the United States Securities and Exchange Commission ("SEC"). The Firm's registration does not denote a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at support@xantoslabs.com

The information in this wrap brochure has not been approved or verified by the SEC or by any state securities authority. Additional information about Xantos Labs LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

Xantos Labs has made the following material changes to its last amendment to the Brochure which was dated January 2023:

- Item 4 & 6: Highlighted the nature of the Firm's general consulting services

The above list only shows material changes. Additional updates were made incidental to the above material changes. This Wrap Brochure may be requested at any time, without charge, by contacting Xantos Labs at support@xantoslabs.com or by checking our website at www.xantoslabs.com/legal

ITEM 4: SERVICES, FEES AND COMPENSATION

Xantos Labs LLC ("Xantos" or the "Firm") is a registered investment adviser that provides general consulting services as well as discretionary investment advisory services to separately managed client accounts and implements quantitative investment strategies that invest in a variety of securities on behalf of its clients. All client accounts managed by the Firm are hereinafter referred to as "Xantos managed accounts" or "XMAs

General Consulting Services:

Xantos assists certain clients in developing investment guidelines and long-term policy objectives, allocating financial resources and controlling risks. Additionally, we may assist in supervising investment manager transitions, developing crisis response plans, directing cash flows, and/or negotiating investment manager fees, among other activities. We also offer monitoring services to our clients which consists of a written report analyzing material developments to an investment portfolio during the applicable period and highlighting material risks or irregularities. Generally, we present these written reports to client representatives. The general consulting services are offered on a discretionary or non-discretionary basis.

Discretionary Advisory Services:

Xantos provides discretionary advisory services to certain clients. Xantos uses a combination of fundamental and quantitative analysis - specifically, mathematical and statistical methods, to uncover technical indicators that drive its automated trading and portfolio management systems. These systems, or models, are the product of an extensive research effort by Xantos' technical staff who hold advanced degrees in engineering, finance, and economics. The Firm's quantitative analysis and trading activities are applied to mature, highly liquid, global equity securities that are publicly traded on U.S. securities exchanges.

For retail clients or individuals, the Firm does not tailor its advisory services to investor requirements. Furthermore, the Firm does not accept client-imposed investment guidelines and restrictions for any retail client.

For certain non-retail clients, our advisory services may be tailored to the specific investment objectives, policies, guidelines and restrictions of each client account. Such clients may impose restrictions on their account by discussing desired investment limitations and providing us with a written list of restrictions and limitations.

Generally, the Firm provides its advisory services to client accounts employing long-only trading strategies in U.S. and non-U.S. securities that are publicly traded on U.S. securities exchanges. The firm exclusively operates as an internet-based adviser and provides its advisory services to all of its clients exclusively through computer software-based models in accordance with Advisers Act rule 203A-2(e).

The firm bundles or “wraps” services together and charges a single fee based on the value of assets under management. The fees are set forth in the Investor Advisory Agreement. They are not negotiable and lower fees for comparable services may be available from other sources. The wrap program covers advisory, trade execution, administrative, custody, and reporting. The wrap program interacts with clients predominantly through a web and/or mobile software application. A client must also open a securities brokerage account with one of the Firm’s recommended broker-dealers and provide discretionary authority over that account to Xantos Labs. Brokerage accounts, agreements, and order processing will be conducted through SEC-registered broker-dealers that provide brokerage-related services to Xantos Labs LLC and its clients.

The Wrap Program does not provide comprehensive financial or tax planning or legal advice. Clients are encouraged to consult with independent tax, financial and legal advisor(s) before making an investment decision. The Wrap Program is not a complete investment program and Clients should not use it as the sole component of their investment plan. Furthermore, the Firm is not responsible for withholding any tax penalties that may apply to clients’ accounts or for any state or federal income tax withholding, except as may otherwise be required by applicable law.

The Firm charges a “wrap” fee which allows clients to pay a single fee for investment advisory services (the “Wrap Program Fee”), as described below. The Wrap Program Fee is not based upon transactions in a client account, but rather is a bundled fee, which includes the costs for advisory services, execution, clearance, custody, and account reporting.

The Firm charges a Wrap Program Fee of the greater of a fixed $5 per month or 200 basis points (2.00%) per year (asset-based fee). Asset-based fees are prorated and charged monthly, in arrears, based upon the market value of the average daily account balance of the securities portfolio over the preceding month. Wrap Program Fees are payable regardless of profitability and may be charged during periods of loss. The Firm may from time to time, in its sole discretion, offer lower fees through promotions, referrals and other discounts to some clients that differ from the Wrap Program Fee stated above.

The Wrap Program Fee includes most trade charges applicable to an account. However, certain other fees are not included in the Wrap Program Fee and are paid for separately by the client.

Client accounts managed by Xantos bear the following expenses:

1. Transaction costs (ACH, wire, or other transfer fees), paper statement fees, returned ACH or bank check fees, account transfer fees, margin interest charges, and other services.

2. In connection with specific transactions, certain professional fees for independent accountants, attorneys, or other experts or consultants (note that Xantos pays certain operating costs, including, e.g., those incurred with respect to auditing financial statements, and preparing tax returns, as well as professional fees of attorneys unrelated to specific transactions and, if applicable, corporate services provider fees);

3. extraordinary expenses (e.g., litigation costs and indemnification obligations), if any; and

4. taxes and fees payable to governmental agencies or authorities.

5. legal, bookkeeping, accounting, administration, auditing, tax preparation, insurance, and related charges;

No supervised person(s) at the Firm accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

As described above, a portion of the Wrap Program Fee is used to cover the securities brokerage commissions attributed to the management of Clients' XMA. The number of transactions made in Clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per-transaction basis and paying a separate fee for advisory services. Services provided through the Firm's Program may cost Clients more or less than purchasing advisory and execution (brokerage) services separately. The Firm's Wrap Program Fee may also be higher or lower than fees charged by other wrap sponsors of comparable investment advisory programs. Since the Firm pays the transaction charges in the Client's account, there is a financial incentive for the Firm not to place transactions in the Client's account, to place fewer trades, or to trade less frequently. A wrap fee account may not be in the best interest of a Client with minimal or no trading activity as compared to a non-wrap fee account or brokerage account where the Client would otherwise pay trading costs as incurred but a lower fee in a non-wrap account or no advisory fee in a brokerage account. In that case, Clients would not receive the services provided by the Firm, which are designed, among other things, to determine which investments are appropriate for the portfolio and the Client's account. The Firm's decision to trade or rebalance a portfolio will largely be guided by its process, which is driven by both proprietary qualitative and quantitative methods. Aside from covering most of the Client's fees to our broker-dealer and transaction costs, fees associated with the Program include access to our proprietary investment strategies and in-house research and therefore are higher than a typical advisory fee for a mutual fund, traditional ETF, or similar advisory product. The Firm believes its Wrap Program Fee is reasonable considering the quality and scope of the services

it provides and the fees charged by other investment advisers offering similar services/programs.

The Firm in its sole discretion may from time to time offer lower fees through promotions, referrals and other discounts to some accounts that differ from the Wrap Program Fee stated above. Conversely, from time to time, the Firm may in its sole discretion also raise its Wrap Program Fee. Any such program or initiative may be expanded, narrowed, suspended, canceled, or modified at any time by the Firm in its sole discretion. To the extent any such program or initiative is canceled or terminated, Clients will once again be charged the then-current Wrap Program Fee on a going-forward basis. The Firm shall have sole discretion in determining whether or not any existing Client or potential Client meets the requirements to participate in and/or benefit from any such program or initiative, and The Firm shall not be liable to the Client or any other party in connection with any such decision and/or in connection with the administration of any such program or initiative generally.

ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

To participate, a Client must open a securities brokerage account with one of the Firm's recommended broker-dealers and provide discretionary authority over that account to Xantos Labs. Brokerage accounts, agreements, and order processing will be conducted through SEC-registered broker-dealers that provide brokerage-related services to Xantos Labs LLC and its clients. The Firm offers services to individuals, pension and profit-sharing plans, trusts, foundations, estates, charitable organizations, corporations, business entities, endowments, other US and non-US institutions and entities. The Firm requires minimum account size set forth below.

Accounts	**Minimum Initial Investment**	**Minimum Investment Required to Maintain Account**
Individual	$500	$500, as applicable, or such lesser amount as Xantos or its principals may permit
All others	$500,000	$500,000, as applicable, or such lesser amount as Xantos or its principals may permit

The firm may, in its sole discretion, negotiate or waive these minimums from the range set forth above based upon certain criteria, such as anticipated future earning, capacity, anticipated future additional assets, the dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention, and pro bono activities.

Clients may make additions to and withdrawals from their account at any time, subject to the Firm's right to terminate an account. If a Client's account is reduced below this amount due to withdrawals and liquidations, the firm reserves the right to close the Client's account. The firm reserves the right to change its minimum account size or value in the future at its discretion. The firm reserves the right to impose a maximum size or value in the future at its discretion. The firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Clients are advised that when securities are liquidated, they may be subject to transaction fees, and/or tax ramifications.

Participation in the Wrap Program requires that the Client successfully complete a new account application, including submitting various personally identifiable information required by U.S. federal law. The Firm recommends the brokerage and custodial services of Alpaca Securities LLC ("Alpaca") and Clients are generally limited to the recommended Custodian. In all cases, the recommended Custodian is a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Not all advisers require clients to direct brokerage. This recommendation is made solely due to the nature of the Firm's trading strategies and the Firm has no economic relationship with the recommended Custodian that creates a material conflict of interest. The Firm believes that the recommended Custodian provides quality execution services for clients at competitive prices. Price is not the sole factor we consider in evaluating the best execution. The Firm also considers the quality of the brokerage services provided by the Custodian, including the value of the Custodian's reputation, execution capabilities, commission rates, technological capabilities, and responsiveness to our clients and our firm. 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.

For a detailed description of the Firm's Wrap Program, please refer to Item 4 above.

ITEM 6: PORTFOLIO MANAGER SELECTION AND EVALUATION

General Consulting Services

The Firm's general consulting services typically incorporate, among other things, long-term policy and asset allocation construction, and risk mitigation.

Long-Term Policy — Generally, we initiate a new client relationship by conducting a review that is designed to:

- identify and describe the major components and characteristics essential to the long-term success of the client's investment portfolio;

- provide a brief review of such components and the client's present investment portfolio status; and
- develop a long-term action plan, including the priority level for each action.

Asset Allocation Construction — We develop forecasts for the potential returns and risks of various investment assets. Aided by statistical models and scenario tests, we seek to anticipate the behavior of various blends of asset classes. Using this information, we recommend several viable asset allocation policies, consistent with the particular client's objectives and limitations. We then work with the client to implement the asset allocation policy via investments in global equity securities that are publicly traded on U.S. securities exchanges or made with third-party investment managers.

Risk Mitigation — Financial markets are risky and volatile. We seek to help clients mitigate risks by advising them to diversify, avoid "fads" and speculation, and to plan carefully.

Discretionary Advisory Services

Xantos is both the sponsor and sole portfolio manager for the Xantos Wrap Program. The Wrap Program is designed and implemented by the Xantos Team.

The Firm uses a combination of fundamental and quantitative analysis for portfolio management. These systems, or models, are the product of an extensive research effort by Xantos' technical staff who hold advanced degrees in engineering, finance, and economics. Mr. Chukwuchebem Orakwue is the portfolio manager of the Wrap Program, alongside the Xantos Team. They are responsible for security selection, portfolio construction, maintenance, account monitoring and updates to the Xantos' investment process as well as preparing and distributing educational content to Clients on a regular basis, including market research, as well as updates regarding Client portfolios; and other core functions such as maintaining Xantos' systems or models.

VOTING CLIENT SECURITIES

The Firm does not exercise voting authority over Client proxies.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described above, the Firm provides its advisory services to client accounts. Investors are able to benefit from the quantitative analysis and in-house developed trading strategies; they are not charged performance-based fees (i.e., a fee based on a share of capital gains or capital appreciation of a Client's assets). Given the nature of the Firm's trading systems and strategies, no subset of investors can be favored over another.

As there are no differences in trading strategies and fee structures, and given that funds are not pooled, there are no potential conflicts across clients regarding order placement or allocation. The Firm operates its models independently for each client account; they do not interact with one another.

INVESTMENT STRATEGIES AND METHODS OF ANALYSIS

General Consulting Services

Our general consulting services typically incorporate, among other things, long-term policy and asset allocation construction, and risk mitigation.

Long-Term Policy — Generally, we initiate a new client relationship by conducting a review that is designed to:

- identify and describe the major components and characteristics essential to the long-term success of the client's investment portfolio;
- provide a brief review of such components and the client's present investment portfolio status; and
- develop a long-term action plan, including the priority level for each action.

Asset Allocation Construction — We develop forecasts for the potential returns and risks of various investment assets. Aided by statistical models and scenario tests, we seek to anticipate the behavior of various blends of asset classes. Using this information, we recommend several viable asset allocation policies, consistent with the particular client's objectives and limitations. We then work with the client to implement the asset allocation policy via investments in global equity securities that are publicly traded on U.S. securities exchanges or made with third-party investment managers.

Risk Mitigation — Financial markets are risky and volatile. We seek to help clients mitigate risks by advising them to diversify, avoid "fads" and speculation, and to plan carefully.

Discretionary Advisory Services

The Firm uses quantitative analysis, specifically, mathematical and statistical methods. This analysis is used to construct proprietary computer models that use publicly available financial data to identify and implement trading decisions. The Firm uses these computational trading models to seek appreciation of assets through speculative trading in securities-related financial instruments. The firm exclusively operates as an internet investment adviser and provides its advisory services to all of its clients exclusively through computer software-based models in accordance with Advisers Act rule 203A-2(e).

The Firm trades global equity securities that are publicly traded on U.S. securities exchanges thereon with the objective of achieving a long-term risk-adjusted return that, on a gross basis, exceeds that of the various XMAs' benchmark indices; with dividends reinvested.

Prospective investors in Xantos client accounts should be aware that their investments are speculative and volatile, involve a substantial degree of risk, and are suitable only for investors who can tolerate significant risk. Past performance is not indicative of future performance, and there is no assurance that any of the accounts will achieve their investment objectives, particularly in periods of market turmoil. Investors may experience a loss of some or all of their investments in their accounts. Investors may also incur tax-related risks and should discuss such risks with their tax advisers. Investors have limited liquidity rights but account positions and transactions will generally be disclosed to investors, though investors do not participate in management decisions.

If a Xantos client account is unable to obtain prompt execution of its orders at desired prices, the account's performance may be adversely affected. In addition, the accounts are subject to the risk of loss if their financial intermediaries become insolvent or bankrupt or are unable to satisfy creditor claims, deliver securities in their custody, or execute transactions. In these circumstances, the accounts' operational capabilities or capital positions could be impaired.

Changes in existing law and government regulations may adversely affect the returns of the accounts. New interpretations of existing laws and regulations might also cause an account to become the target of regulatory proceedings. In recent years, new laws and regulations have provided additional oversight of financial markets around the globe. These include more stringent registration and disclosure requirements and other heightened oversight requirements for private investment funds and their advisers; new or increased restrictions with respect to certain trading techniques and related financial instruments (e.g., short sale restrictions, clearing and trading of over-the-counter derivatives, and enhanced speculative position limits); potential changes to the tax treatment of U.S. and non-U.S. investment vehicles and their advisers; the creation of a single systemic risk regulator with oversight and authority over substantially all U.S. financial markets; and other substantial changes to the broader legal and regulatory framework in which such funds operate. Many of the changes are found in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act"). While many provisions of the Dodd-Frank Act have become effective, some important implementing rules and regulations (including many relating to derivatives) have not yet been finalized, so their full impact is unknown. The regulation of private investment vehicles and their transactions is also subject to future modification by further legislative, executive, or regulatory action as well as judicial review. In addition, federal, state, local, or foreign regulations may contain reporting or other disclosure requirements that may impose an onerous administrative burden on an account or require the disclosure of confidential information. As a result, the Firm may initiate certain holding limits on an account or reduce the size of certain positions.

The accounts rely on the Firm's information and data management systems, which can fail or be subject to interruption or destruction caused by natural or man-made occurrences. Any failure, interruption, or destruction of the Firm's information technology systems or data could have a material adverse impact on the trading and portfolio management operations on the accounts and result in the theft, disclosure, or loss of sensitive information.

RISK OF LOSS

Investing in securities involves the risk of loss that clients should be prepared to bear.

The activities of the Firm on each account are speculative and involve a high degree of risk. There is no assurance that the Firm's computational and risk management techniques and investment decisions will not expose an account to significant losses. In addition, the Firm's analytical techniques cannot provide any assurance that an account will not be exposed to significant trading losses if the underlying patterns of market behavior studied by the Firm (which provide the basis for its statistical models) change in ways the Firm did not anticipate.

The Firm's strategies and trading systems make extensive use of computers. The Firm directs the purchase or sale of investments for the accounts in accordance with computer-generated trades. The use of a computer in collating information or in developing and operating a trading method does not assure the success of the method. A computer is merely an aid in compiling and organizing information and in executing algorithms developed by human beings. In addition, while the Firm rarely intervenes in its computer trading systems, there may be occasions on which human beings must manually input corrections or updates to the data or models used by the computer system. Accordingly, no assurance is given that the trading decisions based on computer-generated information (and, in certain cases, occasional human intervention) will produce profits for the accounts.

Trading decisions made by the Firm for each account are based on a variety of statistical models, including forecast models, risk models, cost models, and beta models. As applicable, the profitability of an account depends on the accuracy of the underlying forecast and cost models; the risk control of an account relies on the accuracy of the risk models; the market exposure of a client account relies on the accuracy of the beta models. No assurance can be given of their accuracy. Flaws in these models could prevent an account from achieving its investment objectives.

The Firm may engage in hedging activities on behalf of its managed accounts to attempt to reduce risk. There is a substantial risk, however, that such hedges will not be effective in limiting losses. In fact, such hedges could result in a substantial loss, notwithstanding the fact that they were intended to reduce risk. Many hedging instruments may encumber a small amount of cash relative to the magnitude of the risk assumed. Furthermore, many hedging instruments may result in a loss if the other party to the transaction does not perform as promised. In addition, the Firm uses various risk control measures – including adjustments to

reserves – to attempt to reduce market and other risks. There is no assurance that these risk control measures will be successful.

Many countries have been susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu, and, currently, the novel coronavirus (COVID-19). Epidemics or pandemic outbreaks of infectious disease, together with any resulting restrictions on travel, transportation, or production of goods, stay-at-home orders, or quarantines imposed, will likely have a negative impact on the business activity in some if not all of the countries in which the Firm invests and on the regional, or global economy, thereby adversely affecting the performance of the investments. A continued escalation in any outbreak could see a continual and drastic decline in global economic growth. Epidemics may led to significant volatility in the global financial markets, and any future outbreak of an infectious disease or any other serious public health concern may lead to additional volatility and illiquidity of the Firm's investments, the imposition of emergency or extraordinary regulatory restrictions on markets and trading activities, and significant interruption in the normal business activity of Xantos and the Fund's other service providers (including financial intermediaries), which could materially harm the Firm's investments and negatively affect the performance of investments in Xantos' managed accounts.

Xantos' managed accounts or XMAs encounter the following set of risks based on its style of trading and investment objectives.

- **High Portfolio Turnover:** The XMAs may be subject to a high portfolio turnover rate, which results in high transaction costs. In addition, the XMAs' trading activities can generate taxable income for investors that is significantly greater or less than the investor's net economic gain or loss.
- **Non-U.S. Equity Risks:** The XMAs trades in U.S. and non-U.S. equity securities that are publicly traded on U.S. securities exchanges. Trading in non-U.S. securities markets exposes the XMAs to additional risks. Non-U.S. securities markets may not be as developed, liquid, or efficient as those in the U.S., and securities of non-U.S. issuers may be less liquid and their prices more volatile than comparable securities of U.S. issuers that are traded on U.S. exchanges. Non-U.S. markets and non-U.S. issuers of securities generally are subject to less stringent or different regulations than are U.S. markets and issuers. Custodial and brokerage expenses for transactions in non-U.S. equity securities may be higher than for transactions in U.S. securities. Since non-U.S. securities are often purchased with and payable in foreign currencies, the value of these assets as measured in U.S. dollars may be affected by changes in currency rates and exchange control regulations.
- **Exchange Traded Funds (ETFs):** – The XMAs trade ETFs. ETFs represent shares of ownership in either funds or unit investment trusts that hold portfolios of common stocks, bonds, or other instruments and are generally designed to correspond to the return of the relevant index.

- **Long Holding Periods**: The accounts' portfolio may be exposed for long periods of time to market risks with respect to particular positions held. Given that market movements are more difficult to predict over the long term than in the short term, these long holding periods may exacerbate the potential risk of loss.
- **Position Size:** The XMAs may hold significant individual positions. Such large positions can be difficult to exit quickly without affecting their prices.
- **Standard Deviation:** The XMAs may operate with a target for empirical standard deviation. There can be no assurance that this standard deviation target will be met. The target is not a guarantee or prediction of volatility.
- **Automated Investing:** The XMAs relies on static questionnaires consisting of a limited number of questions that form the sole basis for its investment recommendations. Such questionnaires are very limited in nature. The questions may not, or may not accurately, capture an individual client's needs. Although clients may change and update their responses, The Firm does not, at this time, make investment advisory personnel available to clients to highlight and explain important concepts or clarify the details of a specific client's financial goals and needs. Online and electronic interactions are limited compared to face-to-face individual advice.
- **Fractional shares:** XMAs enables notional-based investing, whereby the Firm can buy a fixed dollar amount rather than whole shares. Fractional investing is limited to certain types of securities. The liquidity and trade execution timing of fractionable securities may affect the price, voting rights, transferability issues, and dividends of the underlying securities. Fractional shares are not marketable or transferable outside of a Client's account to another brokerage account. In the event of a liquidation or transfer of the assets in a Client's account to another account, the Firm may convert such fractional shares to cash.

Risks to trading in **equities** include but are not limited to the following:

- **Volatility:** Securities prices are highly volatile due to changing supply and demand relationships, changes in interest rates, currency fluctuations, and government, trade, fiscal, and economic events.
- **Currency Fluctuations and U.S. Dollar-Denominated Securities:** Issuers of U.S. dollar-denominated securities are subject to currency fluctuations between the value of the U.S. dollar and the other currencies in which they transact business.
- **Short Sales:** There is a theoretically unlimited risk of an increase in the market price of securities sold short.

ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Xantos acts as the sole portfolio manager under the Wrap Program and, as such, it does not share Client information with any other portfolio managers. Xantos has access to all Client information with respect to the particular Client accounts managed through its interactive web

and/or mobile applications. The firm relies on information provided by the Client through the interactive questionnaire in order to provide investment advice.

ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS

Information regarding a Client's portfolio holdings and performance will be available to Clients through the firm's interactive web and/or mobile applications. Clients may communicate with Xantos through the firm's interactive web and/or mobile applications as well as via email at support@xantoslabs.com. Clients may contact Xantos with respect to technical or operational questions regarding the web and/or mobile application via email or telephone.

ITEM 9: ADDITIONAL INFORMATION

DISCIPLINARY INFORMATION

There are no legal or disciplinary events that would be material to a client or prospective client's evaluation of the advisory business of the Firm or to the integrity of its management.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Xantos' affiliate, Xantos Technologies Ltd ("XTL"), is a Nigeria-based firm seeking regulatory license with Nigerian Securities and Exchange Commission to operate as a individual digital sub-broker. Certain of Xantos' personnel are registered representatives of XTL, to the extent necessary or appropriate to perform their responsibilities. XTL intends to primarily introduce Clients to full-service carrying brokers.

No management persons of the Firm are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

The Firm and its related persons do not recommend or select other investment advisers for the Firm's clients. Additionally, the Firm and its related persons do not receive compensation directly or indirectly from any advisers that create a material conflict of interest.

No management persons of the Firm maintain any relationship or arrangement that is material to the Firm's advisory business or clients.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

Xantos has adopted a Code of Ethics ("Code") pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 that is applicable to employees of Xantos and its subsidiary

("Employees"). The Code and other written policies set forth in the Firm's Code of Ethics and Compliance Manual require Employees to exercise their authority and responsibility for the benefit of clients and to refrain from activities that may conflict with the interests of clients, including, among other things, policies and procedures that do the following:

- prohibit trading on the basis of material nonpublic information;
- prohibit Employees from taking personal advantage of opportunities belonging to clients;
- place limitations on personal trading by Employees and impose reporting obligations with respect to such trading;
- require Employees to obtain preclearance of transactions in private placements;
- prohibit Employees from participating in initial public offerings;
- impose limitations on the giving or receiving of gifts and entertainment;
- place limitations on political contributions by certain Employees and impose reporting obligations with respect to such contributions pursuant to "pay to play" rules; and
- restrict Employees' outside business activities.

The Chief Compliance Officer monitors compliance with these and all other aspects of the Code and related Firm policies.

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

Employees may invest to a limited extent in the same securities recommended for the accounts, subject to significant personal trading restrictions, including (i) an account approval requirement, (ii) an account reporting requirement, (iii) a preclearance requirement, (iv) a holdings and transaction disclosure requirement, (v) a holding period requirement, and (vi) a trading ban with respect to certain instruments. Exceptions may be granted only with the approval of the Firm's Chief Compliance Officer.

Xantos' Employees, as described above, are subject to significant personal trading restrictions, including a holding period requirement. This, coupled with the Firm's style of trading (described above in Item 4 under Risk of Loss), reduces the risk of an Employee trading securities for his or her personal account(s) at or around the same time that an account is trading the same securities.

Neither the Firm nor any persons associated with the Firm have any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure. All and any material conflict of interests has been disclosed in this brochure.

REVIEW OF ACCOUNTS

Xantos monitors compliance with the investment objectives of its clients at quarterly meetings attended by all principals. At these meetings, the previous quarter's performance and any matters that led to system adjustments may be reviewed and discussed. Proposed enhancements and changes to the Firm's computerized models are reviewed and approved when appropriate.

The Firm reviews client accounts on a periodic basis as set forth above. Additional reviews may be conducted at the request of senior management.

Chukwuchebem Orakwue, Managing Partner; will monitor client accounts on an ongoing basis and will conduct account reviews at least quarterly, to ensure the advisory services provided are consistent with investment needs and objectives. The individuals conducting reviews may vary from time to time, as personnel join or leave the Firm. Additional reviews may be conducted based on various circumstances, including, but not limited to

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

The Firm will provide additional or regular written reports in conjunction with account reviews to investors in XMAs. The reports will contain relevant account and/or market-related information such as a list of holdings and account performance, etc. Investors in XMAs will receive trade confirmations and monthly or quarterly statements from the broker-dealer, bank or other qualified custodian.

CUSTODY

All funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. The Firm does not have physical custody of any assets of the XMAs, but some Clients permit the Firm to deduct advisory fees directly from the XMAs. In addition to these services, clients authorize us to give the custodian instructions for the purchase, sale, conversion, redemption, exchange, or retention of any security, cash or cash equivalent, or other investments for the client's account. The Firm may, but is not obligated to, issue separate written reports regarding the Accounts to the Client. These reports may include a list of current holdings, performance data, a statement of gains and losses, advisory fees, or a financial markets summary. Investors in XMAs will receive trade confirmations and monthly or quarterly statements from the broker-dealer, bank, or other qualified custodians. The account statements from other qualified custodian(s) will indicate the amount of the Firm's advisory fees, if any, deducted from the Client Account(s) each billing period. Clients are urged to compare any

reports received from Xantos Labs to the statements received from Custodian. Clients will receive transaction confirmations from Custodian shortly after executing purchases and sales. Additionally, the Custodian will send statements to the Client as stated in the Custodian Agreement. This ability to deduct the Firm's advisory fees directly from the Client Account(s) does not cause the Firm to have custody over the Client's funds or securities.

INVESTMENT DISCRETION

Subject in certain instances to restrictions contained in its investment management agreements described below, the Firm will be granted discretionary authority to determine the type and amount of securities to be purchased or sold for the accounts as well as the broker or dealer to be used for a purchase or sale of securities for the accounts.

The Firm exercises its investment authority on behalf of the trading entities within each account pursuant to provisions in each of the trading entities' investment management agreements, as applicable. The Firm exercises its investment authority on behalf of the Accounts pursuant to written investment management agreements.

CLIENT REFERRALS AND OTHER COMPENSATION

Xantos Labs maintains a referral program pursuant to which existing clients are compensated for referring new clients. Referrers are not employees, contractors, or agents of Xantos Labs. Xantos Labs will provide economic benefits, such as a reduction or waiver of Xantos Labs investment management fees or credit a dollar amount to clients for their referral of family and friends who become clients of Xantos Labs. If a client engages in any referral activities, client covenants, represents, and warrants: (i) it is not subject to any disciplinary actions as those stated in Rule 206(4)-3(A)(1)(ii) under the Investment Advisers Act of 1940 and/or any applicable state law, and (ii) it will abide by such reasonable instructions or directions that Xantos Labs may provide from time to time. If a client were referred by a friend, family member, or any other person engaging in referral activities for Xantos Labs, the client hereby acknowledges that it has received a document detailing the disclosure required under Rule 206(4)-3 under the Investment Advisers Act of 1940 and hereby further acknowledges that any such referral does not constitute an endorsement of Xantos Labs for any purpose.

The Firm may directly compensate third-party non-employee (outside) consultants, (non-client) individuals, and/or entities (Solicitors) for Client referrals. Such third parties include but are not limited to bloggers, YouTube reviewers, etc. In order to receive a cash referral fee from the Firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If a prospective Client were referred to the Firm by a Solicitor, the Client should have received a copy of this Disclosure Brochure along with the Solicitor's disclosure statement at the time of the referral. If the prospect becomes a Client, the Solicitor that referred the Client to the Firm will either receive a percentage of the advisory fee the Client

pays the Firm for as long as they remain a Client with the Firm, or until such time as the agreement with the Solicitor expires, or a one time, flat referral fee upon the prospective Client signing an advisory agreement with the Firm. Clients will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon the Client opening an account managed by Xantos. Therefore, a Solicitor has a financial incentive to recommend the Firm to others for advisory services. This creates a conflict of interest; however, Clients are not obligated to retain the Firm for advisory services. Comparable services and/or lower fees may be available through other firms. Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. The firm requests that its Solicitors disclose to prospective Clients whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

FINANCIAL INFORMATION

The Firm does not require prepayment of more than $1,200 in fees per client, six months or more in advance. Accordingly, no balance sheet is attached. The Firm is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients. The Firm has never been the subject of a bankruptcy petition.