



Item 1 — Cover Page

## Wrap Fee Program Brochure

### Form ADV Part 2A Appendix 1

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This Brochure provides information about the qualifications and business practices of 3D Asset Management, Inc. (hereinafter “3D”). If you have any questions about the contents of this Brochure, please contact us at (860) 291-1998 or [Info@3DAdvisor.com](mailto:Info@3DAdvisor.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

3D is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about 3D also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for 3D is 139595.

## Item 2 — Material Changes

This Item of the Brochure discusses only specific material changes that are made to the Brochure since its last update and provides clients with a summary of such changes. This is the first filing of this Appendix 1. The most recent update of our Firm Brochure was 3/29/2019 and since then the following changes should be noted:

- Item 4 in the Firm Brochure was enhanced to provide details regarding changes in the way 3D offers investment management service from sub-advisors and model providers and the introduction of the investment services brand 3D Managed Account Program (3D MAP).
- Item 4 In the Firm Brochure was changed to reflect the institution of the Wrap Program described in this Appendix 1 to Form ADV 2A
- Item 5 in the Firm Brochure was enhanced to provide details on the fee structure of 3D MAP, 3D's investment management services and the investment management services provided by Sub-advisors and Model providers available to clients on 3D MAP.

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Currently, our Brochure may be requested by contacting Andrew T. Lucich, Chief Compliance Officer at (860) 291-1998 or [alucich@3dadvisor.com](mailto:alucich@3dadvisor.com).

Additional information about 3D is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with 3D who are registered, or are required to be registered, as investment adviser representatives of 3D.

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## **Item 4 — Services, Fees and Compensation**

### ***Introduction***

3D Asset Management, Inc. (“3D”) is registered with the Securities and Exchange Commission as a registered investment advisor. The majority of 3D's business involves providing investment management services to individuals and organizations introduced to 3D by financial advisors engaged in financial planning and investment planning.

### ***Portfolio Management Services***

3D offers a suite of investment management and administrative services to other financial intermediaries as well as directly to investors through the firm's investment advisor representatives (IARs). The suite of services is branded as 3D Managed Account Program or 3D MAP. The services include but are not limited to: custodial account set up; asset transfer; account administration; client and advisor reporting; trading for 3D-managed strategies as well as those provided by sub-advisors and model providers; customer billing; solicitor billing and payment; client and advisor online portal administration; sales & marketing support; and, other back and middle office services.

3D will create a portfolio of no-load mutual funds and/or Exchange Traded Funds or Exchange Traded Notes (herein after collectively, "ETFs"), and may use model portfolios if the models match the client's investment policy. 3D will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. 3D recommends portfolios consisting primarily of passively managed asset class and/or index mutual funds and ETFs. 3D will hold actively managed asset class mutual funds and ETFs if warranted.

Client portfolios may also include individual equity securities, bonds or CDs based upon the Clients' specific goals and time horizons. 3D typically manages portfolios on a discretionary basis only. 3D will manage portfolios designed by its own investment team and will also manages portfolios designed by the investment teams within other model-providers or sub-advisors contracted to provide those model portfolios.

Advisors may introduce customers to 3D in return for a portion of the fee charged by 3D under a Solicitor Agreement, a Referral Agreement or may be Investment Advisor Representatives (“IARs”) of 3D, collectively “Advisors”. Advisors will assist the prospective client with the following:

- Understanding the services provided by 3D;
- Understanding the investment management strategy(ies) offered by 3D or a sub-advisor or model provider;

- Determining the custodian that will be used for a particular account (Charles Schwab & Co. or TD Ameritrade);
- Perform a suitability assessment process by helping prepare an Investment Policy Statement;
- Completion of all new account paperwork;
- Introducing the prospective client to 3D;
- Maintaining ongoing contact with the client so as to maintain current information regarding the client's financial situation and investment objectives;
- Conveying any changes in the clients information, financial status, and/or financial objectives to 3D;
- Communicating any concerns of the client to 3D; and,
- Serving as the client's primary liaison with 3D.

Upon signing an Investment Management and Wrap Fee Agreement, 3D will provide clients ongoing discretionary investment management services. Consequently, the client will appoint 3D as agent and attorney-in-fact with full power and authority to act for and on behalf of the Client to buy, sell and trade securities for the client's investment account. 3D may periodically revise the utilized investments, adjust the strategic asset allocation, and/or rebalance the investment portfolio. 3D is required to act within the parameters of the Investment Policy Statement and in accordance with any restrictions specified by the client. 3D will respond to inquiries directly from each client, however in most circumstances the Advisor will be the primary liaison between the client and 3D.

Fees for the 3D Managed Account WRAP are as follow:

<b>Household<sup>1</sup> Assets Under Management</b>	<b>Wrap Fee Charge<sup>2</sup></b>
\$0 to less than \$500,000	Up to 2.00%
\$500,000 to less than \$1,000,000	Up to 1.75%
\$1,000,000 to less than \$5,000,000	Up to 1.50%
Over \$5,000,000	Up to 1.00%

The fee assessed each client account will be detailed in the Client's Investment Management Agreement ("IMA") and will include all costs typically associated with the management and administration of the account including, but not limited to investment management sub-advisor or model-provider charges, trading costs and fees paid to advisors. 3D will typically share a portion of its fee with the Client's Advisor.

Costs not included in the Wrap Fee are the management fee of any underlying investments such as mutual funds, ETFs, money market funds, etc. Additionally, any costs incurred that result from out-of-the-ordinary Client requests may be charged to the client such as legal transfers, physical stock certificate production and delivery, Fed wire charges, etc.

<sup>1</sup> Household is defined as one client customer and associated family members. Some ERISA accounts cannot be aggregated with personal accounts as prohibited transaction may result. 3D retains the right to allow or disallow household members for asset aggregation purposes.

<sup>2</sup> 3D reserves the right to discount any charges.

3D bills accounts on a monthly basis, in arrears, typically 4 to 5 business days following the end of a month. Billing is asset flow sensitive, that is, if cash or other assets are not in an account for the entire month, they will be billed only for the time they were in the account and under management.

3D will typically share a portion of its fee with the introducing Advisor.

### **Item 5 — Account Requirements and Types of Clients**

3D provides Wrap account services to many types of clients, including:

- Individuals and High Net Worth Individuals, including IRAs of the same;
- Trusts;
- Charitable Organizations and other non-profits;
- Pension Plans, Profit Sharing Plans; Solo 401(K)s, Self-directed Brokerage Clients;
- Corporations, limited liability companies and/or other business types;
- Other Investment Advisers.

3D's stated minimum account size for this program is \$50,000 however 3D reserves the right to waive this minimum.

### **Item 6 — Portfolio Manager Selection and Evaluation**

When 3D evaluates sub-advisors and model providers, we look at the organization, its people and the specific investment strategies in order to gauge a good fit for our platform. We also must consider the other organization's willingness to dedicate what we view as appropriate resources to support the partnership. When evaluating new strategies for the platform we will consider:

- Organization experience, reputation, depth and financial strength;
- Regulatory and legal history of the organization, its key executives and associates to be assigned to the 3D relationship;
- Tenure of managers and analysts associated with the strategies being considered, both at the current organization and any prior relevant experience;
- The investment policy of the strategies being considered;
- Appropriateness of associated benchmarks and historical performance relative to those benchmarks;
- Trading methodology and willingness to use 3D's established custody providers;

3D Manages directly the majority of assets on the platform and uses the following as a methodology.

3D uses a dynamic asset allocation approach that blends the strategic benefits of long-term investing with the flexibility to position around significant market-moving events. Our

approach to asset allocation targets capital market returns and is ideal for goal-oriented strategies such as time-segmented retirement income programs.

Our process for determining model changes is consistent with a 12- to 18-month time horizon although our process implies a long-term time horizon necessary for capturing the various market risk premiums that are afforded to long-term disciplined investors. 3D's approach seeks to replicate smart investor behavior at a fraction of the cost (of active management). In the spirit of Fama/French, we believe that much of what an active manager delivers can be systematically replicated using factor portfolios mimicking active managers' styles and decision rules.

We invest across time-tested factors (or strategic betas) that have historically rewarded investors over the long run. Our dynamic process identifies and weights factor exposures across major global equity markets rather than rotating in and out of market regions. In addition, we will, from time to time, invest in low correlated equity alternatives such as REITs and commodities. The diversification from these investments help dampen the overall market risk in the portfolio.

3D Global Equities seeks long-term capital appreciation using ETFs to target exposure across global equity markets. The strategy's investment objective is to provide long-term superior risk-adjusted returns over the broad global equity benchmark as represented by Morgan Stanley Capital International All-Country World Index ("ACWI"). 3D Global Equities can be used as a stand-alone equity strategy or as a component within a risk-based asset allocation program (i.e. asset mixes targeting long-term capital market return objectives).

3D Global Fixed Income seeks current income using ETFs to target exposure across global fixed income markets. The strategy's investment objective is to provide long-term superior risk-adjusted returns over the broad fixed income benchmark as represented by Barclays U.S. Aggregate Index ("AGG"). 3D Global Fixed Income is structured to be a diversifying component to riskier strategies such as equities within a risk-based asset allocation program (i.e. asset mixes targeting various market return objectives).

### **Item 7 — Client Information Provided to Portfolio Managers**

3D does not communicate client-specific information to a sub-advisors or model providers.

### **Item 8 — Client Contact with Portfolio Managers**

No restrictions are placed on a client's ability to contact or consult with a sub-advisor or model provider however, the Client's Advisor is typically the person that would make this contact. 3D encourages Advisors to speak with representatives of sub-advisors, model providers and 3D's own investment team.

### **Item 9 — Additional Information**

### ***Disciplinary Information***

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our investment advisory business or integrity of our management.

### ***Other Financial Industry Activities and Affiliations***

3D provides portfolio management services to its advisory clients and is not an insurance agency or broker-dealer. 3D does not receive insurance commissions or brokerage revenue of any kind

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

3D has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at 3D must acknowledge the terms of the Code of Ethics annually, or as amended.

3D anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which 3D has management authority to effect and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which 3D and/or clients, directly or indirectly, have a position of interest. 3D's employees and persons associated with 3D are required to follow 3D's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of 3D may trade for their own accounts in securities which are recommended to and/or purchased for 3D's clients.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of 3D will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of 3D's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between 3D and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an

aggregated basis when consistent with 3D's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. 3D will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order. Related persons of 3D may invest their own money in funds recommended to clients, specifically in model portfolios of funds and/or ETF's.

It is 3D's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. 3D will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Select 3D clients have become investors in a private equity offering of 3D Asset Management, Inc. These offerings are very limited in time and scope and confined to very few 3D clients who are also "accredited investors", as defined by SEC regulations. 3D did not provide advice to such investors

with respect to such private investment. Upon investment in this private offering, clients' provided acknowledgement of their individual determination to participate in this private placement and the various risks involved.

3D's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Andrew Lucich at (860) 291-1998.

### ***Review of Accounts***

While the underlying securities within Investment Management Services and Investment Supervisory Services accounts are continuously monitored, these accounts will be formally reviewed at least quarterly by a principal of 3D or another designated individual. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

### ***Client Referrals and Other Compensation***

3D may pay a non-affiliated third party as a Solicitor or referrer a fee or compensation for referral of a client to the Program. The Solicitor is required to provide prospective clients with a current copy of 3D's wrap fee program brochure and the Solicitor's written disclosure

statement. The Solicitor's statement will disclose the particulars of the referral relationship and the compensation 3D will pay to the Solicitor.

***Financial Information***

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about 3D's financial condition. 3D has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.