

Eaglebrook Advisors, Inc.

Firm Brochure – Form ADV Part 2A

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This brochure provides information about the qualifications and business practices of Eaglebrook Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (301) 875-5047 or by email at: cking@eaglebrookadvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Eaglebrook Advisors, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. Eaglebrook Advisors Inc.'s CRD number is: 304438.

Item 2: Material Changes

- No material changes

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Item 4: Advisory Business

Description of Advisory Firm

Eaglebrook Advisors, Inc. (hereinafter “Eaglebrook”) is a Corporation organized in the State of Delaware. The firm was formed in April 2019, and the principal owner is Christopher J King. Eaglebrook is a Registered Investment Advisor licensed in New Jersey and a member of FINRA.

Eaglebrook operates an SMA platform that specializes in bitcoin investment management. Eaglebrook offers Bitcoin Separately Managed Accounts (“Bitcoin SMAs”) to individuals, financial advisors, and institutions. Eaglebrook has built a compliant SMA platform designed to assist clients in gaining direct exposure to bitcoin in a separately managed account structure. Eaglebrook’s Bitcoin SMAs are backed by a qualified custodian under New York Banking Law that is licensed by the State of New York to custody digital assets (Gemini Trust Company, LLC).

Gemini Trust Company, LLC (“Gemini”) is the only custodian for Eaglebrook’s Bitcoin SMAs. Eaglebrook sets up accounts in the client’s name at Gemini when opening an Eaglebrook Bitcoin SMA.

Eaglebrook’s Bitcoin SMAs offer **direct ownership, daily liquidity and no account minimums**. The client’s bitcoin is held at Gemini and the client is the sole legal owner of the bitcoin. Gemini has purchased insurance for the clients’ exchange and custody accounts. Gemini partners with Silvergate Bank and the client’s USD is FDIC insured at Gemini. Eaglebrook offers clients turnkey onboarding, performance reporting, rebalancing, and tax optimization features to integrate their clients’ Bitcoin SMAs into the advisors’ traditional workflows.

Eaglebrook’s Bitcoin SMAs allow investors to gain direct exposure to bitcoin without requiring lengthy private fund subscription documentation, commingled funds, accredited investor status, and without incurring liquidity penalties as seen in competing funds. Bitcoin SMAs also preserve the ability to **execute tax-loss and other tax-related strategies on a per-client basis**, whereas competing funds do not have those features or flexibility.

Client Investment Process

Eaglebrook assists clients that are looking to gain bitcoin exposure in a regulated investment vehicle. Eaglebrook explains to the client the investment case for bitcoin, bitcoin risk disclosures and the structure

of Eaglebrook's Bitcoin SMAs. Eaglebrook has a fully digital onboarding experience. Eaglebrook collects financial and personal information from the client via Eaglebrook's onboarding web application. Once the client is onboarded, they are provided with the client's wire instructions with a special code to fund their Bitcoin SMA. After the Bitcoin SMA is funded the client can access performance reporting, tax documents, research, and withdraw and add funds through Eaglebrook's Client Portal and Financial Advisor Portal.

Eaglebrook's Bitcoin SMA

Description of Program: **There is no minimum investment for Eaglebrook's Bitcoin SMA.** Eaglebrook only offers a passive, buy and hold investment strategy for bitcoin. The strategy's name is Passive Bitcoin SMA. Once the client funds the account, Eaglebrook's optimal trade execution strategy (with the objective of reducing trading fees and avoiding slippage) executes trades from the client's USD to bitcoin. This is executed in the client's exchange account and then the client's bitcoin is sent to the client's custody account. The client's bitcoin remains in their custody account until they request a withdraw or terminate the account. The client's bitcoin is then moved from their custody account to their exchange account and Eaglebrook's optimal trade execution strategy executes the trades from bitcoin back to USD. The client's USD is then sent back to the client's bank account that originally funded the Eaglebrook Bitcoin SMA.

Item 5: Fees and Compensation

Fee for Services:

For Eaglebrook's Passive Bitcoin SMA, Eaglebrook charges a 1.00% management fee annually. The client also pays a 0.30% custody fee to Gemini annually. The custody fee will decrease as Eaglebrook scales assets on Gemini. The client pays trading fees of between 0.00-0.10% to Gemini when they move in and out of the market. The client would be paying 1.30% annually if they make no withdraws. In a year where the client moves funds into or out of (or both) the Passive Bitcoin SMA, the client would pay between 1.30-1.50% to include the potential trading fees into the fee calculation. There is a \$125 fee that is collected by Gemini when a custody account is terminated.

Fee Disclosure

Management and custody fees are documented in the Client Agreement. Fees are annual and are collected from directly from the custodian (Gemini) monthly. The fee will be calculated daily at 4pm Eastern Time and deducted by Gemini monthly in arrears, on or around the last business day of each calendar month. The client receives monthly statements of fees deducted broken out between the management fee, custody fee, and trading fee.

Account Termination

The client may terminate their Eaglebrook SMA by sending an email to contact@eaglebrookadvisors.com. Gemini charges a \$125 fee for account termination. Once the account termination is requested Eaglebrook will liquidate the account and sends the client's USD back to the client's bank account that originally funded their Bitcoin SMA.

Item 6: Performance-Based Fees

Eaglebrook does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

Eaglebrook has designed Bitcoin SMAs for the following types of clients:

- High-Net-Worth Individuals
- Independent RIAs
- Family Offices
- Institutional Investors

There are not account minimums for any of Eaglebrook's services.

Item 8: Bitcoin Risk Disclosure

Bitcoin is a digital representation of value that functions as a medium of exchange, a unit of account, or a store of value, but it does not have legal tender status. Bitcoin is not backed nor supported by any government or central bank. Bitcoin's price is completely derived by market forces of supply and demand, and it is more volatile than traditional currencies and financial assets.

Investing in bitcoin comes with significant risks, including volatile market price swings or flash crashes, market manipulation, regulatory, economic, technical, and cybersecurity risks. In addition, bitcoin markets and exchanges are not regulated with the same controls or customer protections available in equity, option, futures, or foreign exchange investing.

- **Volatility Risk:** Bitcoin is a speculative and volatile investment asset. Investors should be prepared for volatile market swings and prolonged bear markets. Bitcoin can have higher volatility than other traditional investors such as stocks and bonds.
- **Economic Risk:** The economic risk associated with bitcoin is in the lack of widespread or continuing bitcoin adoption. The market and investors could decide that bitcoin should not be valued at the current market capitalization due to a variety of factors.
- **Regulatory Risk:** Bitcoin could be banned or highly regulated by governments that would deter investors from buying or holding bitcoin.
- **Technical Risk:** Bitcoin is a dynamic network with a codebase that is updated to add new security and functionality features. The updated code that is merged by the core developers could potentially have an error that threatens the security or functionality of the bitcoin network.
- **Cybersecurity Risk:** Bitcoin exchanges and wallets have been hacked and bitcoin has been stolen in the past. This is a potential risk you must be comfortable with when investing and holding bitcoin. Theft is unlikely when holding your bitcoin at a qualified custodian in offline systems (cold storage) with institutional security and controls. Eaglebrook's qualified custodian insures the bitcoin custody up to \$200 million.

Item 9: Disciplinary Information

There are no criminal or civil actions, administrative proceedings, or self-regulatory organization proceedings to report.

Item 10: Other Financial Activities and Affiliations

Neither Eaglebrook nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer. Neither Eaglebrook nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

Employee Holdings Disclosures

Eaglebrook employees may own bitcoin and other digital assets and must disclose these on a quarterly basis which clients will be notified.

Item 11: Code of Ethics

Eaglebrook has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Eaglebrook 's Code of Ethics is available free upon request to any client or prospective client. Eaglebrook allows employees to own digital asset such as bitcoin and ethereum. Eaglebrook discloses trades and holdings on a quarterly basis.

Item 12: Brokerage Practices

Custodians/broker-dealers will be recommended based on Eaglebrook's duty to seek "best execution," which is the obligation to seek execution of bitcoin transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent. Eaglebrook will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

Eaglebrook utilizes a proprietary **optimal trade execution strategy** to execute trades in client accounts. The objective of Eaglebrook's optimal trade execution strategy is to minimize trading fees and avoid slippage. The trades are executed directly in the clients' accounts using limit orders, block trades, and auctions. The trading fees will range between 0.00-0.10% per trade.

All trades are executed at Gemini Trust Company, LLC directly in the client's account. Eaglebrook receives no referrals from Gemini in exchange for using them as a liquidity partner.

Eaglebrook does not aggregate or bunch the bitcoin to be purchased or sold for multiple clients.

Item 13: Review of Accounts

Only Eaglebrook's direct clients are reviewed. Direct client accounts are reviewed at least annually by Christopher J King or Tyrone Ross regarding the clients' respective investment policies and risk tolerance

levels. Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

All client accounts will receive monthly reports detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from Eaglebrook. The client will also have access to the Eaglebrook Client Portal or Financial Advisor Portal.

Item 14: Client Referrals

Eaglebrook does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Eaglebrook's clients. Eaglebrook does not compensate non-advisory personnel (solicitors) for client referrals.

Item 15: Bitcoin Custody

Eaglebrook's Bitcoin SMAs are back by Gemini Trust Company LLC, a qualified custodian. Eaglebrook is deemed to have limited custody when reporting performance, asset values, and fees to the client via Eaglebrook's Client and Financial Advisor Portal. This data and asset values will come directly from the client's individually titled accounts at Gemini.

Gemini's offline storage systems use multi-signature technology, role-based governance protocols, and multiple layers of biometric access controls and physical security to safeguard customer assets. Mandatory whitelisting enhances account-level security.

The custody infrastructure at Gemini's geographically distributed, 24/7 access-controlled secured facilities cannot be accessed by anyone without the proper credentials. The hardware security modules (HSMs) storing private keys are never connected to the internet, and are kept air-gapped inside safes in locked cages. Gemini's HSMs have achieved the highest levels of the U.S. government's security ratings.

Eaglebrook has designed the Bitcoin SMAs to have the same permissions and internal controls as an SMA on a traditional custodial platform such as Fidelity or Charles Schwab. Below is a description of **what Eaglebrook has permissions to do as an SMA Manager:**

1. Eaglebrook can create exchange and custody accounts in the client's name
2. Eaglebrook can execute trades in the client's exchange account from USD to Bitcoin and from Bitcoin to USD (when the client withdraws or terminates)
3. Eaglebrook can move the client's bitcoin ONLY between the client's exchange account and the client's custody account
4. Eaglebrook can send the client's USD back to their original bank account that the client wired from to originally fund the Bitcoin SMA.

Below is what Eaglebrook is restricted from doing as an SMA Manager:

1. Eaglebrook cannot move the client's bitcoin outside of Gemini. The client's bitcoin will always be in their custodial account or exchange account in the client's name and the client is the sole legal owner.
2. Eaglebrook cannot move the client's bitcoin to any other account within Gemini other than the client's custody account and exchange account in their name.

The client's bitcoin will always be in a custody or exchange account in their name. All Eaglebrook has permission to do is executes trades in the client's exchange account and move bitcoin between the client's exchange account and custody account.

Item 16: Investment Discretion

Eaglebrook provides discretionary investment advisory services to clients. The investment management agreement established with each client sets forth the discretionary authority for trading. Eaglebrook only has discretion for the initial trades between the client's USD and bitcoin.

Item 17: Voting Client

There is not voting authority for bitcoin.

Item 18: Financial Information

Eaglebrook neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure. Neither Eaglebrook nor its management has any financial condition that is likely to reasonably impair Eaglebrook's ability to meet contractual commitments to clients. Eaglebrook has not been the subject of a bankruptcy petition in the last ten years.

Item 19: Requirements for State Registered Advisers

Eaglebrook currently has only two management persons: Christopher J King and Tyrone Ross. Education and business background can be found on the individuals' Form ADV Part 2B brochure supplement.

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

Eaglebrook does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

There are no civil, self-regulatory organization, or arbitration proceedings to report under this section.

As required by Kansas regulators, Eaglebrook must disclose it does not have Professional Liability Insurance.