



Elements 5 Investment Management, LLC

Form ADV Part 2A Investment Adviser Brochure

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This brochure provides information about the qualifications and business practices of Elements 5 Investment Management, LLC. If you have any questions about the contents of this brochure, please contact David B. Schram, Managing Member and Chief Compliance Officer. 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 Elements 5 Investment Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. You may search this site using a unique identifying number, known as a CRD number. Elements 5 Investment Management's CRD Number is 167731.

Item 2: Summary of Material Changes

Annual Update

This Item of the brochure is updated if material changes have occurred during the course of the fiscal year for Elements 5 Investment Management, LLC (Elements 5 or the Firm); or with the Firm's Annual Updating Amendment (ADV). Since the last ADV filing, the following material changes have occurred:

In Item 4: Advisory Business (on pages 4-6), the sections describing Financial Planning Services and Financial Consulting Services have been updated to reflect the Firm's provision of these services.

In Item 5: Fees and Compensation (on pages 7-8), the sections describing Financial Planning Fee and Financial Consulting Fee have been updated to reflect an increase in these fees; the section describing General Information on Compensation has been updated to reflect that Elements 5 receives no commissions or other compensation from third parties.

In Form ADV Part 2B – Investment Adviser Brochure Supplement: new sections have been added for CERTIFIED FINANCIAL PLANNER™ (CFP®) and Certified Investment Management Analyst® (CIMA®), certifications held by Mr. Schram.

You will receive a summary of any material changes to the brochure within 120 days of the Firm's fiscal year end. The Firm may also provide updated disclosure information about material changes on a more frequent basis.

Full Brochure Available

Currently, the Firm's brochure may be requested by contacting David Schram, Managing Member and Chief Compliance Officer, at (908) 421-1164 or elements5ria@outlook.com.

Additional information about Elements 5 is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Elements 5 who are registered, or are required to be registered, as investment adviser representatives of Elements 5.

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Item 4: Advisory Business

Description of the Firm

Elements 5 Investment Management (“Elements 5” or the “Firm”) is a limited liability company formed under the laws of the state of New Jersey in April 2013. David Schram is the sole owner of the Firm. Mr. Schram is also an attorney licensed in New York and New Jersey, but he does not practice law on behalf of the Firm or provide legal advice to clients. For more information on Mr. Schram, see Form ADV Part 2B, Educational Background and Business Experience.

Elements 5 provides personalized financial planning, investment management and financial consulting services (“*Financial Services*”) to its clients, which include individuals, families, trusts, sole proprietors and small business owners. Elements 5 also serves individuals working in the biotechnology, pharmaceutical, and healthcare industries by advising them on financial matters related to their equity compensation, as Mr. Schram was employed in the biopharmaceutical industry for over 20 years and appreciates the unique financial risks that these employees face.

Prior to engaging Elements 5 to provide Financial Services, a prospective client and Elements 5 are required to enter into a written Financial Services Agreement setting forth the terms and conditions for providing Financial Services.

Fiduciary Adviser

Elements 5 is a fiduciary adviser, in accordance with all applicable laws, including the Investment Advisers Act of 1940 and the laws of the State of New Jersey, which means that the Firm has a fundamental obligation to act and provide advice in its clients’ best interests. Elements 5 has a duty of undivided loyalty and utmost good faith to its clients, and avoids activities that conflict with the interest of its clients. In the event of a conflict that the Firm cannot avoid, it will provide full and fair disclosure of all material facts to the affected clients so they can decide how to proceed regarding the conflict.

Additionally, Mr. Schram, on behalf of the Firm, has taken an oath to perform Financial Services as a fiduciary adviser by adhering to (i) the Best Practices published by the Institute for the Fiduciary Standard, (ii) the Standards of Professional Conduct of the Certified Financial Planner Board, and (iii) the Code of Professional Responsibility and Standards of Practice of the Investment & Wealth Institute™ (formerly IMCA).

Financial Planning Services

Elements 5 offers financial planning services for creating and managing a comprehensive financial plan, which includes the following components: Financial Position and Cash Flow Analysis (balance sheet, liquidity, budgeting and debt management), Tax Planning, Financial Risk Management and Insurance Planning, Education Cost Planning, Investment Portfolio Analysis and Planning, Retirement Planning, Large Expense and Replacement Costs Planning and Charitable, Personal Gift, and Estate Planning. The comprehensive financial plan may include both long and short-term considerations, depending upon the client’s needs.

For clients that don’t require a complete financial plan, it may be more cost effective to

engage Elements 5 for Financial Consulting Services for only certain portions of a comprehensive financial plan or for additional areas that are not typically covered. The client's Agreement will set forth the scope of Financial Planning and Financial Consulting Services to be provided by Elements 5.

Elements 5 follows the Certified Financial Planner™ Board of Standards' 6-step process when providing Financial Planning Services:

1. Establish and define the client-planner relationship
2. Gather client data, including relevant documents, information and goals
3. Analyze and evaluate the client's current financial position
4. Develop and present recommendations and/or alternatives to meet goals
5. Assist the client with implementing the recommendations
6. Monitor the recommendations

Elements 5 has meetings with the client (telephone or in-person) to review risk tolerance, financial goals and time horizons. Additional meetings may include a review of other financial information, such as sources of income, assets owned, existing insurance, financial liabilities, wills, trusts, business agreements, tax returns, investments, personal and family obligations, etc.

Upon completion, the plan is presented to the client. At this meeting, the client is provided with recommendations that are compatible with the client's stated goals and objectives. An implementation schedule is reviewed with the client to prioritize recommendations and how they may be pursued, such as through Elements 5 (if for Investment Management Services) or other professionals of the client's choosing. The client is under no obligation to utilize additional services of Elements 5 and its representatives and may choose whether to implement the Firm's advice and recommendations. Neither Elements 5 nor any of its representatives receives any kind of compensation from service providers engaged by the client or any third party used to implement the Firm's advice or aspects of the financial plan.

Investment Management Services

Clients may engage Elements 5 to manage all or a portion of their assets on a discretionary basis (explained in Item 16). The Firm primarily allocates a client's investment assets among mutual funds, exchange-traded products, including closed-end funds ("CEFs"), exchange-traded funds ("ETFs"), and exchange traded notes ("ETNs"), individual debt and equity securities and/or options. Elements 5 may select individual stocks if appropriate for some accounts, and can manage a client's legacy stocks and bonds.

As part of its investment management service, Elements 5 reviews and discusses with each client their current financial situation, goals, relevant time horizons and risk tolerance, as well as other factors that may impact the client's financial needs related to the assets. One or more client meetings will take place prior to investing the client's assets and then periodically on an ongoing basis.

Elements 5 prepares an Investment Policy Statement (IPS) for clients who engage the Firm to Investment Management Services. An IPS is a written document that defines

the client's general investment goals and financial objectives, describes the investment strategies that will be used to meet these objectives and contains additional information to manage the investment portfolio, e.g., asset allocation and rebalancing guidance, risk and return objectives, risk tolerance, liquidity requirements, time horizons, tax management, and any unique circumstances. The IPS is a non-legal guidance document prepared by the Firm, but at the client's direction, to aid in management of the client's investment accounts. An IPS is typically reviewed and updated on annual basis or at a minimum of every 3 years depending on the client's circumstances.

Financial Consulting Services

Clients may engage Elements 5 to provide financial consulting services covering particular aspects of financial planning and/or investment management, such as portfolio review and analysis, advisement on particular investments and investment strategies, portfolio design for self-directed accounts, financial needs analysis and planning for retirement, education, estate, business, tax, cash flow needs, and other areas where the Firm has expertise.

Advice related to Client Equity Compensation

Clients may engage Elements 5 to perform analysis and provide advice related to the client's equity compensation. These services are not included in the comprehensive financial planning service offering. Advice and analysis of equity compensation is limited to the following:

- Pre-tax and after-tax valuation and tax liability of employee incentive options, restricted stock awards, restricted stock units and performance shares
- Tax consequences from exercising and selling compensation
- Time value of options and investment risk and reward
- Decision framework for exercising and selling the compensation
- Forfeit value (if leaving the company before complete vesting)
- Owned share analysis to determine position concentration risk and impact on investment portfolio asset allocation

NOTE: *If a client engages Elements 5 for equity compensation analysis and advice, such services will not include any fundamental analysis of the client's company or advice on timing of exercise or sale of compensation based on company news, industry news or any other public or private information related to the company.*

Tailored Services

Elements 5 tailors its advisory services to the individual needs of its clients, and ensures that each client's investments are suitable for their financial needs, goals, objectives and risk tolerance. To receive this personalized service, clients must promptly notify Elements 5 if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the Firm's management services.

Assets under Management

As of December 31, 2017 Elements 5 had approximately \$4,978,137 in discretionary assets under management.

Item 5: Fees and Compensation

Elements 5 offers its services on a fee-only basis, which may include fixed fees, hourly fees and fees based upon assets under management. Prior to engaging Elements 5 to provide Financial Services, the client enters into a written agreement with Elements 5 setting forth the services that will be provided, the associated fees and the timing of payment. All fees owed to Elements 5 are documented to the client in an invoice having payment terms according to the Financial Services Agreement.

Financial Planning Fee

Elements 5 charges a flat fee starting at \$3,975 for comprehensive financial planning services and ongoing financial planning advice and plan monitoring services for a period of one (1) year. This fee may be negotiable depending on the complexity of the client's situation. Payment of the fee is typically split so that a percentage of the fee is due at the time of the first client meeting with the remainder due at the time of presentation of the financial plan.

Following a completed plan Elements 5 offers clients ongoing financial planning advice and plan monitoring services at a minimum fee of \$2,650 per year. This service renews annually.

In some cases, a project-based hourly financial consulting fee rate may be more cost-effective for certain clients who do not need a comprehensive financial plan. Clients having more complex financial matters, which may exceed the scope of the Firm's comprehensive planning services offering, may elect to have additional services performed on a financial consulting basis or at a higher fixed rate.

Financial Consulting Fee

Elements 5 charges a fee rate of \$265 per hour for Mr. Schram's time. Consulting fees for services performed periodically or on an ongoing basis are typically billed monthly in arrears. One-time projects may be billed differently (fee due at the time the project begins, upon completion or some combination) depending on the nature of the project. All financial consulting fees will be disclosed in the Financial Services Agreement and on the payment schedule agreed to by the client. Additional costs, such as 3rd party charges, may be passed on to the client, and such costs will also be disclosed to the client in the Agreement.

Investment Management Fee

Elements 5 provides investment management services for an annual fee that is charged in arrears on a quarterly basis. The fee is calculated from the market value of the aggregated average daily balance of the client's accounts (the Account) managed by Elements 5 over the previous quarter. Fees are calculated on a *pro rata* basis for the initial and ending quarters of investment management services.

The annual fee for investment management services uses a non-blended, tiered rate approach as follows:

| Aggregate value of accounts under management (the Account) | Annual Rate |
|---|--------------------|
| Initial \$1,000,000 | 0.85 % |
| Next \$4,000,000 (up to \$5,000,000) | 0.70 % |
| Next \$5,000,000 (up to \$10,000,000) | 0.55 % |
| Over \$10,000,000 | 0.40 % |

There is minimum quarterly Investment Management Services fee of \$531.25 for an Account under \$250,000.

In certain circumstances, the fees may be negotiable depending on the client's unique situation, such as the size of aggregated related-party portfolios and family holdings, low cost basis securities, and pre-existing relationships with clients. Therefore, some clients may pay more or less in Investment Management fees than other clients.

Fees Charged by Financial Institutions

Clients may incur certain charges imposed by broker-dealers, custodian and other third parties, such as brokerage fees, commissions, transaction fees, custodial fees, charges imposed directly by a mutual fund or other investment held in the account (such fees disclosed in the fund's prospectus, e.g., fund management fees and expenses), odd-lot differentials, regulatory fees, transfer taxes, wire transfer and electronic funds fees, and other fees and taxes on brokerage accounts and securities transactions. Such costs to a client are exclusive of and in addition to the Firm's fee. Elements 5 does not receive any portion of the commissions, fees or other costs charged by broker-dealers, funds and other third parties.

General Information on Compensation

The compensation received by Elements 5 for performing Financial Services is paid by the client directly to Elements 5. The Firm does not receive or accept any compensation from any third party (such as product or sales-based commissions or referral fees).

New clients receive an estimate of costs for the Financial Services before commencing the services. Investment management fees are typically debited directly from the client's custodial account if the client agrees to make payment in this manner. Financial planning and consulting fees are typically paid by check or may be debited from a taxable investment account managed by Elements 5.

The Financial Services Agreement between Elements 5 and each client sets forth the manner of payment which will continue in effect, unless amended in writing, until terminated by Elements 5 or the client in accordance with the terms of the Agreement.

Item 6: Performance-Based Fees and Side-by-Side Management

Elements 5 does not charge any performance-based fees for its services. Performance-based fees are fees based on a share of capital gains on or capital appreciation of the client's assets.

Item 7: Types of Clients

Elements 5 provides financial services to individuals, trusts, estates, family offices and business entities.

Minimum Account Requirements

Elements 5 has no minimum account size requirement for investment management clients, however, there is a minimum quarterly fee for accounts under \$250,000 as described in Item 5.

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

Methods of Analysis

Elements 5 uses quantitative approaches to investment analysis, combined with modern portfolio theory, to design investment strategies and manage clients' portfolios. Elements 5 may use *quantitative analysis* to mathematically design investment strategies and to determine what investments to buy and sell. Quantitative analysis ranges in application and complexity so a detailed description is not appropriate here; however it is used to understand behavior in financial markets, similar to technical analysis, by using mathematical and statistical modeling, measurement and research. It can be used to potentially improve the risk-adjusted returns of investment portfolios when employing asset allocation strategies.

Elements 5 may use *technical analysis* in combination with quantitative analysis to determine when to rebalance portfolios and price levels for entering and exiting individual investments within the portfolio. Technical analysis relies on analysis of past market data rather than specific company data and may involve the use of charts and past performance to identify market patterns and trends which may be based on investor sentiment rather than company, sector or market fundamentals. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future or optimal price levels. Even if the trend will eventually recur, there is no guarantee that Elements 5 will be able to accurately predict such a reoccurrence.

Investment Strategies

Elements 5 develops portfolio-level investment strategies with emphasis on volatility (risk) reduction, and then incorporates these strategies into a client's portfolio based upon the client's investment objectives and risk profile. Rather than focusing on securities selection, Elements 5 determines an appropriate ratio (asset allocation) of equities, fixed income, alternative investments, and cash appropriate for the client's investment goals and risk tolerance. A risk of asset allocation is that the client's portfolio may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash may change over time due to market movements and, if not corrected, may no longer be suitable for the client.

Elements 5 creates and manages customized portfolios for its clients. Each investment strategy used in a client's portfolio is discussed with the client to determine suitability before being implemented. Strategies may be tailored to the individual needs of the client.

Risks of Loss

Mutual Funds and Exchange Traded Products

An investment in a mutual fund or exchange-traded product ("ETP"), including CEFs, ETFs and ETNs, involves risk, including the loss of principal. Mutual fund and ETP shareholders are subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETPs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. As such, a fund investor may incur substantial tax liabilities even when the fund underperforms.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs and CEFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, while CEFs may trade above or below their NAV depending on its demand. NAV is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs and CEFs. However, certain inefficiencies may also cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

ETNs are a senior unsecured, unsubordinated debt security issued by a Financial Institution. ETNs are designed to provide investors access to the returns of various market benchmarks. The returns of ETNs are usually linked to the performance of a market benchmark or strategy, less investor fees. When an investor buys an ETN, the Financial Institution promises to pay the amount reflected in the index, minus fees, upon maturity.

Though linked to the performance of a market benchmark, ETNs are not equities or index funds, but they do share several characteristics. Similar to equities, they are traded on the exchange and can be sold short. Similar to index funds, they are linked to

the return of a benchmark index. As debt securities, ETNs don't own the underlying securities in the index. Similar to other debt securities, ETNs have a maturity date and are backed only by the credit of the issuer. Thus, the ETN has an additional risk compared to an ETF which includes the credit risk of the issuing Financial Institution and counterparty risk. If the issuer goes bankrupt, the investment may lose some or all of its value similar to a senior debt instrument.

Portfolio Risks

The profitability of a significant portion of the Firm's recommendations may depend to a great extent upon one or more of the following: (i) correctly assessing the future course of price movements of asset classes and underlying securities; (ii) correctly assessing the future volatility of securities and its impact on portfolio risk; and (iii) correctly positioning clients' investment capital in securities that will experience positive total returns. There can be no assurance that Elements 5 will be able to predict price movements or total returns accurately.

General Risk of Loss

Investing in securities involves the risk of loss, and clients should be prepared to bear such risk.

Item 9: Disciplinary Information

Elements 5 is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of the Firm's advisory business or the integrity of management. Elements 5 does not have any required disclosures to this Item.

Item 10: Other Financial Industry Activities and Affiliations

Elements 5 is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. Elements 5 does not have any required disclosures to this Item.

Elements 5 is not registered as a broker-dealer, and none of its management persons are registered representatives of a broker-dealer. Neither Elements 5 nor any of its management persons is registered as (or associated with) a futures commissions merchant, commodity pool operator, or a commodity trading advisor.

Neither Elements 5 nor any of its management persons has a material relationship or arrangement with any related person or financial industry entities.

Elements 5 does not recommend or select other investment advisors for its clients.

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

Elements 5 employees must comply with a Code of Ethics and Statement for Insider Trading. The Code describes the Firm's high standard of business conduct, and fiduciary duty to its clients. The Code's key provisions include:

- Statement of General Principles
- Policy on and reporting of personal securities transactions
- A prohibition on insider trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

Clients and prospective clients can obtain a copy of the Firm's Code of Ethics by contacting David Schram at (908) 421-1164 or elements5ria@outlook.com.

Participation or Interest in Client Transactions – Personal Securities Transactions

The Code of Ethics, described above, is designed to assure that the personal securities transactions, activities and interests of the employees of Elements 5 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, primarily mutual funds, have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of the Firm's clients. 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.

Participation or Interest in Client Transactions – Financial Interest and Principal/Agency Cross

It is the Firm's policy that it will not engage in any principal or agency cross securities transactions for client accounts.

Item 12: Brokerage Practices

Elements 5 generally recommends that clients utilize the brokerage and clearing services of TD Ameritrade Institutional.

Factors which Elements 5 considers in recommending TD Ameritrade or any broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. TD Ameritrade enables Elements 5 to purchase many mutual funds and ETFs without transaction charges and other securities at nominal transaction charges. In addition, TD Ameritrade may reimburse clients for transfer fees that may be assessed for moving their account(s) to TD Ameritrade. Clients can contact TD Ameritrade for additional information on this reimbursement. The commissions and/or

transaction fees charged by TD Ameritrade may be higher or lower than those charged by other Financial Institutions.

The commissions paid by Elements 5 clients comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Elements 5 determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Elements 5 seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Elements 5 periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

The client may direct Elements 5 in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for their account with that Financial Institution, and Elements 5 will not seek better execution services or prices from the other Financial Institution or be able to "aggregate" that client's transactions with orders from other accounts managed by Elements 5 (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for their account than would otherwise be the case. Subject to its duty of best execution, Elements 5 may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client will generally be effected independently, unless Elements 5 decides to purchase or sell the same security for multiple clients at approximately the same time. Elements 5 may (but is not obligated to) combine or "aggregate" such orders to obtain best execution, or to allocate equitably among Elements 5 clients any difference in prices or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, the Financial Institution will generally average price and allocate transactions pro rata for each participating client on any given day of such transactions taking place.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Elements 5 in its investment decision-making process. Such research will generally be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Elements 5 does not have to produce or pay for the products or services.

Elements 5 and its employees may trade in the same securities as those traded in client accounts on an aggregated basis.

Software and Support Provided by Financial Institutions

Elements 5 may receive from TD Ameritrade Institutional, without cost to Elements 5, certain economic benefits, such as software and related systems support, which allow Elements 5 to provide better service to its clients and also reduce its business costs. These benefits may include the ability to monitor multiple client accounts and related-party portfolios maintained at TD Ameritrade, advanced charting and position monitoring, programmable software for portfolio and household-level rebalancing having algorithms for tax gain/loss harvesting; access to trading desks that exclusively services TD Ameritrade Institutional advisors; access to block trading providing the ability to aggregate securities transactions and allocate across unrelated client's accounts at the same execution price; and access to an electronic communication network for client order entry and account information.

Elements 5 may receive software and related support from TD Ameritrade Institutional without cost because Elements 5 renders investment management services to clients that maintain assets at TD Ameritrade. The software and related systems support benefit Elements 5 but not its clients directly.

NOTE: In fulfilling its duties to its clients, Elements 5 endeavors at all times to put the interests of its clients first. Clients should understand that receipt of an economic benefit from a broker-dealer creates a conflict of interest because it may influence the Firm's choice of broker-dealer without consideration to other costs that are borne by the client, such as cost of trade commissions. In using TD Ameritrade as a broker-dealer and custodian of clients' assets, Elements 5 has considered the cost of commissions to its clients and believes that clients are receiving competitive commission rates compared with other discount brokerage firms offering similar services as TD Ameritrade.

Item 13: Review of Accounts

Elements 5 monitors investment accounts for Investment Management clients on an ongoing process; regular account reviews are conducted at least on a quarterly basis. For Financial Consulting clients, reviews are conducted on an "as needed" basis. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Elements 5 and to keep the Firm informed of any changes and new financial situations. Elements 5 contacts its investment advisory clients at least annually to review its previous services and/or recommendations and to discuss any changes in the client's financial situation and/or investment objectives.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian.

Item 14: Client Referrals and Other Compensation

Elements 5 is required to disclose any relationship or arrangement where it receives an

economic benefit from a third party (non-client) for providing advisory services. In addition, Elements 5 is required to disclose any direct or indirect compensation that it provides for client referrals. Elements 5 does not have any required disclosures to this Item.

Item 15: Custody

Elements 5 does not take physical custody of client assets.

The Financial Services Agreement and any separate agreements with a broker-dealer may authorize Elements 5 through such broker-dealers to debit the client's account for the amount of the Firm's management fee and to directly remit that fee to Elements 5. In the event of such authorization, the broker-dealer(s) will provide a statement to the client, at least quarterly, indicating all amounts disbursed from the client's brokerage account including, the amount of any management fees paid directly to Elements 5. Elements 5 will also provide each client with an invoice explaining such fees.

In addition, as discussed in Item 13, Elements 5 may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the broker-dealers and compare them to those received from Elements 5.

Item 16: Investment Discretion

Elements 5 provides discretionary investment management services, which means that the firm makes buy and sell decisions for a client's account without first having to seek the client's consent. Clients provide Elements 5 with this authority to exercise discretion through a limited power-of-attorney through the Financial Services Agreement between Elements 5 and the client. A client may provide constraints on this authority, such as transacting in certain asset classes or securities or use of certain investment vehicles) typically through the use of an investment policy statement (described in Item 4). Elements 5 exercises discretionary authority in the following areas:

- Securities to be purchased or sold
- Amount of securities to be purchased or sold
- Timing of executing transactions

Item 17: Voting Client Securities

Elements 5 is required to disclose whether it accepts authority to vote client securities. Elements 5 does not vote securities on behalf of its clients.

Item 18: Financial Information

For Investment Management Services, Elements 5 does not require or solicit the

prepayment of more than \$500 in fees six months or more in advance. In addition, Elements 5 is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Elements 5 has no disclosures pursuant to this Item.

Item 19: Requirements for State Registered Advisers

Management Background

See response to Form ADV Part 2B - Investment Adviser Brochure Supplement.

Other Business

See response to Item 10 – Other Financial Industry Activities and Affiliations.

Performance-Based Fees

Neither Elements 5 nor any Supervised Persons is compensated by performance-based fees.

Disciplinary Disclosures

Neither Elements 5 nor any Management Persons have been involved in any activities resulting in a disciplinary disclosure.

Issuer of Securities

Neither Elements 5 nor any Management Persons have any relationships or arrangements with any issuer of securities.



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(908) 421-1164
www.elements5.us

Supervisor and Supervised Person: David B. Schram

March 2018

This brochure supplement provides information about the Firm's Supervised Persons that supplements the Elements 5 brochure. You should have received a copy of that brochure. Please contact David B. Schram, Managing Member and Chief Compliance Officer, if you did not receive the Firm's brochure or if you have any questions about the contents of this supplement.

Additional information about the Firm's Supervised Persons is also available on the SEC's website at www.adviserinfo.sec.gov. You may search this site using a unique identifying number, known as a CRD number. Elements 5 Investment Management's CRD Number is 167731.

Educational Background and Business Experience

Education and Business Background

Elements 5 requires advisers in its employ to have a bachelor's degree and further coursework demonstrating knowledge of financial planning, tax planning, or investment management. Examples of acceptable degrees and designations include: J.D., CFA, CFP[®], CIMA[®], EA, and CPA.

David B. Schram, Managing Member and Chief Compliance Officer

Year of Birth: 1969

CRD number 6191719

Education:

Yale School of Management, 2017

College for Financial Planning, 2014

Seton Hall University School of Law—J.D., 1998

Rutgers University—M.S. Cell and Developmental Biology, 1994

Lafayette College—B.A. Biology, 1991

Business Background:

Managing Member, Elements 5 Investment Management, LLC, 2013-Present

Attorney Consultant, Axiom Global, 2012-2017

Senior Intellectual Property Counsel, Medarex, 2001-2010

Senior Counsel, Schering-Plough, 1999-2001

Associate Attorney, Darby & Darby, 1998-1999

Admitted to New Jersey State Bar, 1998

Admitted to New York State Bar, 1999

Registered US Patent Attorney

Certifications and Designations held by David Schram:

CERTIFIED FINANCIAL PLANNER™ (CFP[®])

The CERTIFIED FINANCIAL PLANNER™, CFP[®] and federally registered CFP (with flame design) marks (collectively, the “CFP[®] marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP[®] certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP[®] certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP[®] marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and

risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education (CE) – Complete 30 hours of CE hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

Certified Investment Management Analyst® (CIMA®)

The CIMA certification signifies that an individual has met initial and ongoing experience, ethical, education, and examination requirements for investment management consulting, including advanced investment management theory and application.

To earn CIMA certification, candidates must:

- submit an application, pass a background check and have an acceptable regulatory history;
- pass an online Qualification Examination;
- complete an in-person or online executive education program at an AACSB accredited university business school;
- pass an online Certification Examination; and
- have an acceptable regulatory history as evidenced by FINRA Form U-4 or other regulatory requirements and have three years of financial services experience at the time of certification.

A CIMA certificant must adhere to IMCA's Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks. CIMA designees must report 40 hours of CE credits, including two ethics hours, every two years to maintain the certification. The designation is administered through Investments & Wealth Institute™ (formerly IMCA).

Accredited Wealth Management AdvisorSM (AWMA®)

Individuals who hold the AWMA® designation have completed a course of study encompassing wealth strategies, equity-based compensation plans, tax reduction alternatives, and asset protection alternatives.

Disciplinary Information

Neither Elements 5 nor any Supervised Persons has been involved in any activities resulting in a disciplinary disclosure.

Other Business Activities

David Schram, Managing Member and Chief Compliance Officer, practices law on a limited, part-time basis by providing legal advice to companies, some of which may be publicly traded. Any information learned during such activity is not used in the provision of advice to clients of Elements or for making investments in such companies or for trading in their securities.

This outside business activity does not create a material conflict of interest with clients.

Disclosure on Fees and Compensation is provided in Form ADV Part 2A Item 5 – Fees and Compensation. Neither Elements 5 nor any Supervised Persons receives commissions, bonuses or other compensation based on the sale of securities or other investment products.

Additional Compensation

No Supervised Person receives any economic benefit, outside of regular salaries or bonuses, related to amount of sales, client referrals or new accounts.

Supervision

David Schram, Managing Member and Chief Compliance Officer, is the Firm's sole Supervised Person named in this Form ADV Part 2 Investment Adviser Brochure Supplement. David Schram may be reached at (908) 421-1164.

Requirements for State Registered Advisers

No Supervised Person has been involved in any activities resulting in a disciplinary disclosure.

No Supervised Person has been the subject of a bankruptcy petition.

Required ADV Disclosure for Best Practices Fiduciary Advisor Affirmation Program

The Registrant, Elements 5 Investment Management, voluntarily subscribed to the “Best Practices for Financial Advisors” published by The Institute for the Fiduciary Standard. The Best Practices offer a simple code of conduct and outline a commitment to clients of subscribing financial advisors. They seek to clearly articulate what a client can expect to receive from a subscribing financial advisor. These Best Practices do not replace our regulatory compliance obligations or duties to clients under relevant laws, rules, or regulations. The Institute for the Fiduciary Standard's role is limited to publishing the Best Practices as well as maintaining a corresponding register of subscribing financial

advisors. You can find a complete list of the Best Practices on the Elements 5 website or at:

<http://www.thefiduciaryinstitute.org/wp-content/uploads/2016/09/BestPracticesSpecificRequirementsSeptember132016.pdf>

and verify the Firm's status at www.thefiduciaryinstitute.org.