



Elements 5 Investment Management, LLC

Form ADV Part 2A Investment Adviser Brochure

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March 2025

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 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 5: Fees and Compensation, the sections describing Financial Planning Fee and Investment Management Fee have been updated to reflect increases in these fees.

Clients 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 person affiliated with Elements 5 who are registered, or are required to be registered, as an investment adviser representative 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; Mr. Schram does not practice law on behalf of the Firm or provide legal advice to the Firm’s 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”). Prior to engaging Elements 5 to provide Financial Services, a prospective client and Elements 5 must enter into a written Financial Services Agreement setting forth the terms and conditions for providing the 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 to avoid activities that conflict with the interest of its clients. In the event of a conflict that cannot be avoided by the Firm, Elements 5 will provide full and fair disclosure of all material facts to the affected client(s) so they can decide how to proceed.

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 comprehensive financial planning services and ongoing financial planning advice, which may include the following components:

- Goal Exploration, Analysis & Monitoring
- Debt & Cash Flow Planning
- Employee Benefits & Stock/Option Incentive Analysis
- Replacement Costs Analysis
- Insurance Review & Risk Management Planning
- Education & Large Goal Funding Analysis
- Tax Strategy & Planning
- Long-term Savings & Retirement Planning
- Portfolio Analysis & Investment Planning
- Retirement Analysis & Planning
- Charitable Giving, Gifting & Estate Planning
- Business Planning & Succession Planning

For clients who don't require a complete financial plan, it may be more cost effective to engage Elements 5 for project-based Financial Consulting Services for specific services. The client's Agreement will set forth the scope of Financial Planning or 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 implementation of the recommendations
6. Monitor the recommendations

Elements 5 has periodic meetings with clients (telephone or in-person) to review risk tolerance, financial goals and time horizons. These meetings (or additional meetings) may also 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.

The financial plan is presented to the client with recommendations that are compatible with the client's stated goals and objectives. The recommendations are reviewed with the client to prioritize and achieve their implementation, such as through Elements 5 (if for Investment Management Services) or through other professionals of the client's choosing. The client decides whether to implement the Firm's advice and recommendations and is under no obligation to utilize additional services that may be provided by the Firm.

Neither Elements 5 nor any of its representatives receives any kind of compensation from service providers or from any third party engaged by the client to implement the Firm's advice or any aspect 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 allocates a client's investment assets among publicly traded securities, which may include 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 the client's situation and can manage a client's legacy stocks and other individual security holdings.

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 and at least once annually.

Elements 5 prepares an Investment Policy Statement (IPS) for Investment Management clients. 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 at the client's direction to aid in management of the client's investment accounts. An IPS is typically reviewed annually and at a minimum of every 3 years depending on the client's circumstances.

Investment Management clients who do not engage Elements 5 for Financial Planning services receive limited financial planning advice that is directly related to the assets under the Firm's management.

Assets under Management

Elements 5 had approximately \$10,821,272 in discretionary assets under management as of December 31, 2024.

Financial Consulting Services

Clients may engage Elements 5 to provide financial consulting services covering aspects of financial planning and/or investment management, such as portfolio review and analysis, advisement on investment selection 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.

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. This personalized advisory service that clients promptly notify Elements 5 of any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the Firm's management services.

Item 5: Fees and Compensation

Elements 5 offers its services on a fee-only basis, which means that neither the Firm nor its representatives receive any payment or other consideration, including commissions and referral fees, from any third party. Compensation to the Firm and its representatives is only paid by the client, and 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 payment schedule. All fees owed to Elements 5 are documented to the client in an invoice having payment terms according to the Financial Services Agreement.

Fees may be lower when financial planning and investment management services are provided together. In some cases, particularly for retirees and business planning clients, financial planning and investment management fees are combined into a fixed flat fee.

Financial Planning Fee

Elements 5 charges an annual retainer fee for ongoing financial planning services and based on complexity, which is determined by the client's financial position, including income and savings, tax bracket, number and types of investments and accounts, financial goals and special circumstances, such as job transitions, business planning, changing marital status and blended family situations, multi-generational households, special needs dependents, etc. The minimum financial planning fee is \$5,000 and includes financial goals review, data gathering, analysis of current financial position, development of a financial plan to attain goals, presentation of advice and recommendations, and plan monitoring in the first year. Planning fees based on complexity are determined by estimating Mr. Schram's time to complete the plan and the extent of ongoing advice (typically ranging from \$7,000 to \$16,000 in the first year) and may include investment management.

Most financial planning clients will benefit in fee savings when their assets are also managed by Elements 5. Financial planning fees may be offset by investment management fees in part or whole depending on the amount of assets under management by the Firm, additional assets not managed by the firm and the complexity of the client's financial situation. For some clients, when the Firm manages assets exceeding \$1,000,000, the investment management fee may offset the financial planning fee.

Payment of half the financial planning fee is due at the time of the first client meeting with the remainder billed quarterly after six months in the first year. Clients that continue financial planning services, including monitoring and ongoing advice, are billed after the first year on a quarterly basis.

Periodically, Elements 5 reviews the client's fee and adjusts it higher or lower as complexity or the client's financial planning needs change and as agreed to by the client.

Financial Consulting Fee

For some clients, a project-based hourly financial consulting fee may be cost-effective when comprehensive financial planning is not needed. Elements 5 charges a fee rate of \$375 per hour for Mr. Schram's time. Ongoing financial consulting is typically billed monthly in arrears. Single 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 set forth in a 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 annualized fee that is charged in arrears on a quarterly basis. The fee is calculated from the market value of the average daily balance of the client's aggregated 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
Under \$500,000	\$5,000 (flat fee)*
\$500,000 up to \$1,000,000	1.00%
Over \$1,000,000	Up to 1.00%

****A minimum quarterly fee of \$1,250 (\$5,000 annually) allows Elements 5 to provide investment management services to clients having smaller portfolios***

In certain circumstances, fees may be negotiable depending on the client's unique situation, such as the Firm's management of other family members' Accounts and pre-existing relationships with clients and their families. As a result, some clients may pay less in Investment Management fees than other clients having the same Account value.

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 Financial Services is paid by the client directly to Elements 5. Neither the Firm nor any representative receives or accepts any compensation from any third party (such as sales-based commissions or referral fees).

New clients receive an estimate of costs for Financial Services before commencing the services. Investment management fees may be debited directly from the client's custodial account if the client agrees to make payment in this manner. Financial planning and consulting fees may be 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 and families, trusts, estates, family offices and business owners. Elements 5 focuses its financial planning practice on clients who own businesses and pass-through entities:

- S-corporations
- Single-member and spouse co-owned LLCs
- Sole-proprietors, independent contractors, consultants and other self-employed persons

Additionally, Elements 5 helps entrepreneurs, independent inventors and retirees set up a new business and provides financial planning services and ongoing advice. These business clients may be transitioning, for example, from W-2 status to self-employed, full-time to part-time, or desire to start a small business in retirement. Elements 5 also advises clients who are working and want to transition into retirement.

Minimum Account Requirements

Elements 5 has no minimum account size requirement for investment management clients, however, a minimum quarterly fee for Investment Management Services and Financial Planning Services is 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 uses mathematical and statistical modeling to evaluate historical performance of securities and help identify past trends. 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 timing for rebalancing 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 utilizes the brokerage and clearing services of Charles Schwab ("Schwab Advisor Services" or "Schwab") to manage client accounts when the Firm has discretionary trading authority. Elements 5 is not authorized to execute trades in client accounts using other broker-dealers.

Factors that Elements 5 considers in utilizing Schwab include their financial strength, reputation, execution, pricing, research and service. Schwab enables Elements 5 to purchase many mutual funds and ETFs without transaction charges and other securities at nominal transaction charges. In addition, Schwab may reimburse clients for transfer fees that may be assessed for moving their account(s) to Schwab. Clients can contact

Schwab for additional information on this reimbursement. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other Financial Institutions.

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 may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions for each client are generally executed independently unless Elements 5 purchases or sells the same security for multiple clients at the same time. Elements 5 may combine or "aggregate" such orders to obtain best execution. Under this aggregation procedure, the Financial Institution will average price and allocate transactions pro rata for each participating client in such transactions.

Elements 5 periodically and systematically reviews its policies and procedures regarding its use of Schwab as a broker-dealer and custodian of client assets in light of its duty to obtain best execution.

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

Trading Error Policy

Elements 5 has procedures designed to prevent operational trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of the Firm to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any losses resulting from correction of the trade error. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated from the trade error correction. In all situations where the client does not cause the trade error, the client will be made whole and will not receive any losses resulting from the trade error.

The remedy for an error caused by Elements 5 may be in the form of a credit against future investment management fees. If the error is caused by Schwab, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) which must share in the gain, or it is not permissible for the client to retain the gain. Elements 5 may also confer with the client to determine if the client should forego the gain (e.g., for tax reasons). Generally, if related trade errors result in both gains and losses in an account, they may be netted.

Elements 5 will never retain any portion of any gain made due to a trade error correction nor profit in any way from trade errors. If the gain does not remain in the client's account, Schwab will donate to charity the amount of any gain of \$100 or more. Schwab will retain

the gain (if the gain is not retained in the client's account) if under \$100 to minimize and offset its administrative expenses.

Software and Support Provided by Financial Institutions

Elements 5 may receive from Schwab, 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 reduce its business costs. These benefits may include the ability to monitor multiple client accounts and related-party portfolios maintained at Schwab, 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 advisors on the Schwab Institutional Advisor platform; 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 Schwab without cost because Elements 5 renders investment management services to clients who maintain assets at Schwab. This 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 Schwab as a broker-dealer and custodian of clients' assets, Elements 5 has considered the fees and cost of commissions to its clients and believes that clients are receiving pricing compared with other discount brokerage firms offering similar services as Schwab.

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 by 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). Elements 5 exercises discretionary authority in the following areas:

- Securities to be purchased and sold
- Amount of securities to be purchased and 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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Investment Adviser Brochure Supplement

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elements5ria@outlook.com
(908) 421-1164
www.elements5.us

Supervisor and Supervised Person: David B. Schram

December 2023

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, since 2013

Attorney, since 1998

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 by providing legal advice to companies, some of which may be publicly traded. Any information learned during this activity is not used in the provision of advice to clients of Elements or for making any investments.

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>

You can verify the Firm's status as a Registrant at www.thefiduciaryinstitute.org.