

Can Serve Free LLC



General Description (“Brochure”) of the Company

Can Serve Free LLC is a registered investment adviser with the State of Georgia and organized as a Limited Liability Company (LLC). Section 202(a)(11) of the Investment Advisers Act of 1940 generally defines an "investment adviser" as any person or firm that: (1) for compensation; (2) is engaged in the business of; (3) providing advice, making recommendations, issuing reports, or furnishing analyses on securities, either directly or through publications. Can Serve Free LLC, is owned, and operated by Eric S. Broadus (Founder/CEO). This Client Brochure includes information regarding the qualifications, business practices, and the advisory services that Can Serve Free LLC provides.

Advisory Services Offered

Can Serve Free LLC provides fee-based investment advisory services primarily, but not exclusively, to middle income/upper income, high net worth individuals, small/medium size businesses and not-for-profit organizations. The company offers these services primarily, but not exclusively, as online/automated, specialized, tailor-made investment advisory and quantitative portfolio management services related to publicly traded stocks and healthcare real estate investment trusts (H-REITs). The company operates exclusively within its business niche and expertise in helping clients find long-term, medium-to-high liquidity stock investment opportunities (via capital gains and dividends) related to cancer/oncology in the commercial areas of diagnostics, medical devices, immuno-therapy, pharmaceuticals, nutrition, acute clinical care, long-term care, and real estate. The Company will work with clients to help them choose which types of cancer are of greatest interest to them and assist them in building specific investment portfolios of stocks and healthcare REITs related to those types of cancer. As part of the service offerings, the company will also provide educational material and periodically host education sessions and webinars on various types of cancer/oncology-related investments and healthcare real estate investment trusts.

Generally, at least 48 hours prior to establishing a formal business relationship requiring payment of fees, Can Serve Free LLC sends each prospective customer a Client Investment Advisory Agreement that defines the terms, conditions, authority and responsibilities of the company and the client. The client must return the Agreement fully signed and dated prior to having further business engagements. The Client Investment Advisory Agreement with Can Serve Free LLC is non-transferable without the client's written approval. Services described in the Client Investment Advisory Agreement will entail:

1. Establishing an Investment Policy Statement – Can Serve Free LLC, in connection with the client, may develop a statement that summarizes the client's investment goals and objectives along with the broad strategies to be employed to meet the objectives. An Investment Policy Statement generally includes specific information on the client's stated goals, time horizon for achieving the goals, investment strategies, client risk tolerance and any restrictions imposed by the client.
2. Asset Allocation – Can Serve Free LLC will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation, and risk tolerance for each client.
3. Portfolio Construction – Can Serve Free LLC will work, in conjunction with the input from the client, to develop a tailored portfolio that is intended to meet the stated short-term and/or long-term goals and objectives of the client.
4. Investment Management and Supervision – Can Serve Free LLC will provide investment management and ongoing oversight of the client's portfolio and overall online account.

Can Serve Free LLC works with each client to identify his or her investment goals and objectives as well as risk tolerance and financial situation to create the optimal portfolio allocation. The company's business philosophy is based on Modern Portfolio Theory ("MPT") that makes it possible for anyone who enters a Can Serve Free LLC Client Investment Advisory Agreement to access state-of-the-art investment advisory and portfolio management services. Modern Portfolio Theory focuses on how risk-averse investors can construct portfolios to maximize expected return based on a given level of market risk. Modern Portfolio Theory will be described in fuller detail in Item 8 below. The company's investment philosophy is grounded in the belief that markets are efficient over the long-term but can become – at least temporarily -- inefficient and irrational within a shorter time horizon which requires direct investment advice to optimize finite resources.

Can Serve Free LLC tailors its investment advisory services to the individual needs of each of its clients. As a result, the company asks each prospective client a series of questions to evaluate both the individual's objective capacity and subjective willingness to take risk. The company asks subjective risk questions to determine both the level of risk an individual is willing to take and to find consistency among the answers.

Can Serve Free LLC exclusively provides investment advisory services and portfolio management services and has made the business decision – at least to this point in time – to not provide direct securities custodial services. Can Serve Free LLC will not at this time accept or maintain custody of a client's funds or securities. All client assets will be managed within

brokerage account(s) of the client's choice, pursuant to the Client Investment Advisory Agreement.

At this time, Can Serve Free LLC does not participate in wrap fee programs.

At this time, Can Serve Free LLC does not serve as a brokerage firm and therefore will not directly manage client assets or directly trade on behalf of the client.

Types of Clients

Can Serve Free LLC provides investment advisory services to the following types of clients:

- Individuals – private investors and professionals investing their personal discretionary assets
- Small and medium size businesses – taxable business entities, investing cash reserves
- Not-for-profit organizations – non-taxable entities, investing cash reserves

Investors evaluating Can Serve Free LLC's online investment advisory services should be aware that Can Serve Free LLC's relationship with clients is likely to be different from the "traditional" investment advisory relationship in several aspects:

1. Can Serve Free LLC is primarily an online investment adviser which means each client must acknowledge his/her ability and willingness to conduct his/her relationship with Can Serve Free LLC on a primarily electronic basis. Under the terms of the Client Investment Advisory Agreement, each client agrees to receive all Account information and Account documents (including this Client Brochure and the Can Serve Free LLC Client Investment Advisory Agreement), and any updates or changes to same, through his or her access to the website and Can Serve Free LLC electronic communications. Unless noted otherwise on the website or within this Brochure, Can Serve Free LLC's investment advisory services, the signature for the Client Investment Advisory Agreement, and all documentation related to the advisory services are managed electronically. Can Serve Free LLC makes itself available to discuss servicing matters with clients as needed.
2. To provide its investment advisory services and tailor its investment decisions to each client's specific needs, Can Serve Free LLC collects information from each client, including specific information about his/her investing profile such as basic financial situation, investment experience, and investment objectives. Can Serve Free LLC maintains this information in strict confidence subject to its Privacy Policy, which is provided on the website. When customizing its investment solutions, Can Serve Free LLC relies upon the information received from a client. Although the company contacts its clients periodically as described further in Item 13 below, a client must promptly notify Can Serve Free LLC of any change in his or her financial situation or investment objectives that might require a review or revision of his or her portfolio.
3. The online investment advisory service includes preselected yet robust cancer-related stocks and healthcare real estate investment trusts (H-REITs) for each asset class within the plan recommended to a client.
4. Because Can Serve Free LLC does not serve as a brokerage firm, clients may not place orders to purchase or sell securities directly on the Can Serve Free LLC website.

Methods of Analysis, Investment Strategies and Risk of Loss

Can Serve Free LLC employs both fundamental and technical analysis methods in developing investment strategies for its clients. Research and analysis from Can Serve Free LLC is derived from numerous sources, including financial media companies, third-party research materials, internet sources, attending professional conferences, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

For its online investment advisory and portfolio management service, Can Serve Free LLC provides clients with investment advice that is based on Modern Portfolio Theory (“MPT”). MPT attempts to maximize a portfolio’s expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return. One of Can Serve Free LLC’s goals is to enable anyone with modest disposal cash of at least \$500 to access the benefits of MPT. To employ MPT properly, one must start with an accurate determination of an individual’s objective and subjective tolerance for risk. Achieving accuracy requires sophisticated software applied to more detailed questions than are typically asked by advisers.

Can Serve Free LLC continuously monitors its clients’ portfolios and periodically recommends rebalancing them back to the clients’ target mix to optimize returns for the intended level of risk. Can Serve Free LLC does not provide tax advice but does consider tax implications and the volatility associated with each stock when deciding when and how to advise rebalancing. However, no assurance can be made by Can Serve Free LLC that clients will not incur capital gains or losses, and in certain instances at significant levels if client portfolios are rebalanced periodically.

Can Serve Free LLC assumes no responsibility to its clients for any tax consequences of any recommendation or eventual transaction, including any capital gains that may result from the rebalancing of client accounts. Clients should consult with tax professionals in conjunction with obtaining investment advisory services from Can Serve Free LLC.

As a general principle, Can Serve Free LLC adheres to a long-term, “buy-and-hold” investment philosophy as taught by world-renowned value investors. Yet Can Serve Free LLC reserves the right to act otherwise if it concludes that it is in the best interest of its clients to revise investment strategies. In general, Can Serve Free LLC does not seek to deliberately influence or pressure investors to react to market movements or time the market in executing trades. Can Serve Free LCC does not advertise or endorse day trading as its primary hedging strategy.

Can Serve Free LLC does not and cannot guarantee any level of performance or that any client will avoid a loss of account assets. Any investment in securities involves the possibility of financial loss that clients should be prepared to bear. When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risk items, each of which may affect the probability of adverse consequences and the magnitude of any potential losses. The following list of risks is not all-inclusive but should be considered carefully by a prospective client before retaining Can Serve Free LLC services. These risks (listed in alphabetical order only) should be considered as possibilities, with additional regard to their actual probability of occurring and the effect on a client if there is in fact an occurrence.

Advisory Risk – There is no guarantee that Can Serve Free LLC’s judgment or investment advice about securities will necessarily produce the intended results.

Credit Risk – company stocks held in the portfolio may experience adverse economic consequences that may include impaired credit ratings, default, bankruptcy, or insolvency, any of which may affect portfolio values or management.

Electronic Application Risk – Can Serve Free LLC delivers its investment advisory services primarily online. Consequently, Can Serve Free LLC rigorously designs, develops, and tests its website extensively before putting it into production and periodically monitors its performance after its deployment. Notwithstanding this rigorous design, development, testing and monitoring, it is possible that the website may not always perform exactly as intended or as disclosed. Can Serve Free LLC continuously strives to monitor, detect, and correct any aspects of its website that does not perform as expected or as disclosed. It is possible that clients or Can Serve Free LLC itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to Can Serve Free LLC’s online investment advisory services.

Foreign Investing and Emerging Markets Risk - Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated by adverse fluctuations in foreign currency values, as well as adverse political, social, and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

Inflation, Currency, and Interest Rate Risks - Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor’s future interest payments and principal (particularly related to REITs).

Legislative and Tax Risk – Particularly in regards to investing in healthcare-sector stocks and healthcare real estate investment trusts (H-REITs), performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in securities trading regulation; changes in the U.S. government’s guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations. Can Serve Free LLC does not engage in tax planning, and in certain circumstances a client may incur taxable income on his or her investments

without a cash distribution (such as rolling dividends back into the portfolio) to pay the tax due.

Liquidity and Valuation Risk – High volatility and/or the lack of deep and active liquid markets for a security may prevent a client from selling his or her securities at all (particularly for less mature company stock), or at an advantageous time or price.

Market Risk – The price of any security or the value of an entire asset class can decline for a variety of reasons outside of Can Serve Free LLC’s control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events. Given that clients’ investments are heavily weighted in the healthcare sector, it may negatively affect overall performance to the extent that the asset class underperforms relative to other market assets.

Volatility and Correlation Risk – Can Serve Free LLC’s stock and H-REIT selection process is based in part on a careful evaluation of past price performance and volatility to evaluate future probabilities. It is possible that different or unrelated asset classes may exhibit similar price changes in similar directions which may adversely affect a client’s account and may become more acute in times of market upheaval or high volatility. Past performance is no guarantee of future results, and any historical returns, expected returns, or probability projections may not reflect actual future performance.

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

Can Serve Free LLC’s ethical, professional, and legal duty is always to act as a fiduciary in the best interest of its clients. This means that Can Serve Free LLC puts the interests of its clients ahead of its own, and carefully manages for any perceived or actual conflicts of interest that may arise in relation to its advisory services. Can Serve Free LLC will adhere to ethical standards designed to ensure that it meets its fiduciary obligations to clients, enhances its culture of compliance within the firm, and detects and prevents any violations of securities laws. Can Serve Free LLC intends to execute its business practices consistent with the code of ethics requirements of Rule 204A-1 under the Investment Advisers Act of 1940 and adhere to all applicable state and federal securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest, and confidentiality of client information.

Can Serve Free LLC and/or its associated persons may have an investment position in securities which are the subject of recommendations to clients. Clients acknowledge and accept this and authorize Can Serve Free LLC to engage in such transactions. However, at no time would the Adviser in bad faith execute on holdings of securities deliberately and knowingly to the detriment of Client.

Brokerage Practices

Can Serve Free LLC is not (at this time) a licensed brokerage firm and does not directly place trade orders for securities transactions on behalf of client accounts with any brokerage firm or overtly promote/recommend one brokerage firm over another. Going one step further, clients are not obligated to open any brokerage account to become Can Serve Free LLC investment advisory clients. It is the sole responsibility of the client to select his or her brokerage firm of choice and to execute any respective trades based on investment advice provided by Can Serve Free LLC via the client's chosen brokerage firm.

Given that Can Serve Free LLC does not engage in or charge for brokerage services, Can Serve Free LLC does not participate in any "soft dollar" practices involving the receipt of research or other brokerage service in direct connection with client transactions with broker-dealers, nor does Can Serve Free LLC compensate or otherwise reward any broker-dealers or its agents for client referrals. Soft dollars are revenue programs offered by broker-dealers whereby an adviser enters into an agreement to place security trades with the specific broker in exchange for research and other services.

Review of Accounts

Can Serve Free LLC provides all clients with continuous access to its website where clients can review analytical reports and returns as well as build new investment scenarios for consideration. Clients can also receive periodic e-mail communications describing portfolio performance, account information, and new product features. Can Serve Free LLC's online investment advisory service assumes that a portfolio created using MPT-based techniques will not stay optimized over time and must be periodically rebalanced back to its original targets to maintain the intended risk level and asset allocations.

Can Serve Free LLC also conducts reviews when clients make changes to their risk profiles. The company may consider tax implications and the volatility associated with each of the chosen asset classes when deciding when to advise rebalancing. However, no assurance can be made by Can Serve Free LLC that clients will not incur capital gains and the tax consequences that may arise.

On a periodic basis, Can Serve Free LLC contacts each client to remind them to review and update personal profile information previously provided and requests that clients reconfirm the same information on a quarterly basis.

Client Referrals and Other Compensation

Can Serve Free LLC is a registered investment adviser, which primarily receives its compensation directly from its clients. Can Serve Free LLC expects from time to time to run promotional campaigns to attract clients to open accounts online. These promotions may include additional account services at different Adviser Packages or special products (including book sales related to business services) or services offered on a limited basis to select clients, more favorable fee arrangements, and/or reduced quarterly advisory fees for clients. Can Serve Free LLC depends upon the goodwill of satisfied customers referring other customers to the site without the expectation of special favors for doing so.

Custody

Can Serve Free LLC does not accept and is never deemed to have custody of client assets due to not having an in-house or direct affiliation with a brokerage firm. Can Serve Free LLC provides investment advice to its clients who in turn work with outside brokerage firms for direct transaction of investments.

Investment Discretion

Can Serve Free LLC requires that a client who decides to retain Can Serve Free LLC as his or her investment adviser complete and execute a Client Investment Advisory Agreement. However, the terms of the Client Investment Advisory Agreement do not explicitly or implicitly assume partial or full discretionary trading and investment authority over the client's assets. This means that Can Serve Free LLC does not possess any discretionary authority to select the timing, size, and identity of securities to buy and sell for the client as well as enter, amend, or terminate contracts relating to the account. Can Serve Free LLC purely provides advisory services on a fee-only basis.

Can Serve Free LLC does not have any adverse financial situations that would reasonably impair its ability to meet all contractual obligations to its clients.

Menu of advisory fee schedules are contained in the full versions of the Client Brochure and Client Investment Advisory Agreement. Please contact ericbroadus@canservefree.com for more information and to request professional financial advisory services.