



Form ADV Part 2A

Firroo Client Brochure

Firroo Inc.
Harvard Business Services, Inc. (registered agent for Firreo Inc.)
16192 Coastal Highway
Lewes, Delaware 19958

Primary contact:
Kyle McKercher
(202) 630-7183
help@firreo.com

www.firreo.com

Last updated 8/4/2023

Item 1: Cover Page

This brochure provides information about the qualifications and business practices of Firreo Inc. If you have any questions about the contents of this brochure, please contact us at (202) 630-7183 or help@firreo.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Firreo Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Summary of Material Changes

Not applicable. This is the initial registration submission for Firreo.

Item 3: Brochure Table of Contents

Item 1: Cover Page - 1

Item 2: Summary of Material Changes - 2

Item 3: Brochure Table of Contents - 3

Item 4: Advisory Business - 4

Item 5: Fees and Compensation - 5

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

Item 7: Types of Clients - 6

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss - 6

Item 9: Disciplinary Information - 11

Item 10: Other Financial Industry Activities and Affiliations - 11

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - 12

Item 12: Brokerage Practices - 13

Item 13: Review of Accounts - 13

Item 14: Client Referrals and Other Compensation - 13

Item 15: Custody - 13

Item 16: Investment Discretion - 13

Item 17: Voting Client Securities - 13

Item 18: Financial Information - 14

Item 19: Requirements for State-Registered Advisers - 14

Form ADV Part 2A – Appendix 1 - 14

Form ADV Part 2B - 14

Item 4: Advisory Business

Firm Background

Firreo Inc. (known simply as “Firreo”) is an Internet-only investment advisory service and planning tool. Firreo provides a paid subscription website solely focused on helping individual, retail investors achieve financial independence. Firreo defines “financial independence” as the state in which an individual (and their family members, if applicable) is able to fully replace the income they earn from employment with passive income from their investments, thereby allowing the retail investor to be financially “independent” from their job.

Firreo’s website, www.firreo.com, helps clients calculate the amount of investments they need to achieve financial independence either where they currently live or in many other possible locations (both in the U.S. and internationally). The website provides functionality for clients to enter and track their financial information. Based on the client’s financial situation, Firreo provides personalized investment recommendations that focus on creating financial independence for that client.

Firreo Inc. has been in business since January 1, 2023. Firreo Inc. is owned by Kyle McKercher, Kaitilin Gross, and Alex Burkey.

Types of Advisory Services Offered

Firreo currently only offers one type of investment advisory service, which as described above is designed specifically for individual, retail investors who aspire to achieve financial independence. The service is delivered via the Internet only in the form of a paid subscription for clients to enter their financial information, determine where they would like to pursue financial independence, and receive Firreo’s investment recommendations for how to achieve it. Firreo’s investment advice is limited to the specific investments Firreo recommends in the paid subscription section of its website, which it has determined are the most optimal investments for creating passive income and achieving financial independence.

Personalized Investment Advice

A Firreo client will receive personalized investment recommendations that are updated each time the client logs in. Firreo uses a simple algorithm that prioritizes which investment(s), within the group of specific investments we recommend, a client should focus on investing in right now. The algorithm is based on market timing (i.e. the present is a suitable time for a client to invest in a certain investment) and the progress a client has made in each recommended investment category (i.e. their progress toward building specific investments that will assist in creating passive income). Firreo simply provides the platform to choose new destinations, track financial information, and receive investment recommendations. The client has the ultimate discretion as to whether or not they choose to invest in the investments recommended by Firreo.

Note: Firreo does not participate in wrap fee programs and does not currently manage client assets.

Item 5: Fees and Compensation

Firreo is compensated for advisory services through a paid subscription. Subscription fees are billed to clients in advance via credit or debit card. Subscription fees are non-negotiable and refundable. A client may either select to pay a monthly fee of \$9.99 per month or an annual fee of \$79.99.

Monthly fees of \$9.99 will be billed to the credit or debit card provided by the client on a monthly basis, specifically on the day of the month the client's account was initiated. For example, a client that began their paid subscription on April 8, 20xx will be billed \$9.99 every month on the 8th day of the month thereafter.

An annual fee of \$79.99 will be billed to the credit or debit card provided by the client on an annual basis, specifically on the day of the year the client's account was initiated. For example, a client that began their paid subscription on April 20, 2023 will be billed \$79.99 on April 20, 2024 and every year thereafter on April 20th of that year.

A client may cancel their subscription at any time during the monthly or annual subscription period. Firreo will issue a prorated refund for monthly or annual subscriptions that are canceled before the subscription period has ended. This prorated refund will be based on the number of calendar days between the client's last payment and the next time the client will be billed, as illustrated by the following examples:

- A client chooses to pay the monthly subscription plan of \$9.99. The month of April has 30 days; therefore, each day of the client's subscription costs the client approximately \$0.33 (rounded). The client's last payment was on April 8th and the client chooses to cancel their service on April 30th (i.e. the 23rd day of the subscription period). Firreo will issue a refund of \$2.33 (rounded), which is a refund for the final 7 days of that month's subscription up to but not including May 8th.
- A client chooses to pay the annual subscription plan of \$79.99. The client is paying for 365 days of service; therefore, each day of the client's subscription costs the client approximately \$0.22 (rounded). The client's last payment was April 8th and the client chooses to cancel their service on June 28th of that same year (i.e. the 82nd day of the subscription period). Firreo will issue a refund of \$62.26 (rounded), which is a refund for the final 283 days of the client's annual subscription up to but not including April 8th of the next year.

If a client chooses to cancel either their monthly or annual subscription, the client will be promptly refunded using the methodology above; however, the client will lose access to their Firreo account and all of Firreo's services immediately upon cancellation.

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

Firreo does not charge performance-based fees.

Item 7: Types of Clients

Firreo's clients are individual investors who are U.S. residents and enroll in our service with the primary financial goal of achieving financial independence through passive investment income. Clients do not need to meet a minimum net worth threshold, and because Firreo does not manage client assets, there is no minimum account size. Our service is intended for use only by individuals 18 years of age or older. We assume no liability in the event our service is used by any client that is not an individual 18 years of age or older.

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

Investment Strategy

Firreo currently offers one investment strategy, referred to herein as the "core investment strategy". The core investment strategy focuses on helping clients achieve the goal of generating enough passive income so that the client is no longer financially dependent on the income generated from their 9 to 5 job. Firreo recommends the following types of investments to clients: publicly traded stocks and exchange-traded funds, publicly traded real estate investment trusts ("REIT"), non-traded REITs, and other alternative investments such as art, cars, rare wine, etc.

Methods of Analysis

Firreo's core investment strategy was developed through intensive market research and performance assessment by analyzing the long-term (20 years or greater) performance of each investment we recommend. Firreo's owners have personally invested in each of the investments we recommend, and the recommended core investment strategy portfolio allocation was derived from this research and measurement.

Risk

Investing involves risk of loss that clients should be prepared to bear. Firreo does not guarantee the future performance of any client investments or portfolio. Clients must understand that investments made pursuant to Firreo's investment advisory services involve risk and are subject to various market, currency, economic, security, and business risks. Clients should carefully consider the risks and uncertainties described below before investing. These risks are not the only ones we face. Additional risks and uncertainties that we are unaware of or deem immaterial may also become important factors that adversely impact a client's investments.

A. Generally Applicable Risks

Market Risk: Client investments and Firreo's investment advisory services are directly impacted by market conditions that are outside of Firreo's control, such as economic and political conditions, changes and volatility in financial markets, volatility of particular investments, changes in markets in which such transactions are processed, interest rates, inflation rates, regulatory changes, and other broad political, social, and economic trends. These changes can arise suddenly and the full impact of market changes on investments can remain uncertain.

Market risk includes:

- **Market Decline Risk**: Market declines, such as a recession or other prolonged downturns in investment markets, may adversely affect clients' investment performance. Significant downturns in general economic or political conditions may also cause clients to be reluctant to make additional investments.
- **Asset Concentration Risk**: If a client has a high allocation to a particular asset class or classes, to the extent those asset classes underperform relative to other assets in the market, the client's overall performance may be adversely affected. Conversely, if a client has a low allocation to a particular asset class or classes that outperform the market over a particular period, the client's investments may underperform relative to the overall market.
- **Volatility Risk**: Firreo's advisory services are based in part upon assumptions derived from historical returns, expected returns, and past price volatility. Past performance is no guarantee of future results, and any historical returns, expected returns, or probability projections may not reflect actual future performance.
- **Correlation Risk**: While Firreo strives to recommend diversified portfolio strategies, it is possible that different or unrelated asset classes may exhibit similar price changes in similar directions, which may adversely affect a client's investments and may become more acute in times of market upheaval or high volatility.
- **Liquidity Risk**: Illiquid markets for an investment may prevent clients from selling their investments at all, or at an advantageous time or price. Investment in exchange traded funds (ETFs) mitigates liquidity risk because ETFs tend to be very liquid, but this risk cannot be completely eliminated.
- **Inflation, Currency, and Interest Rate Risk**: Asset prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to decline and may reduce the purchasing power of an investor's future earnings. Inflation also generally leads to higher interest rates, which may cause the value of many types of investments to decline.

Investment Advice Risk: Firreo does not guarantee the results of any investment advice given to clients. All investing involves risk, and Firreo makes no assurances that the investment objectives of the core investment strategy will be achieved. Although Firreo offers diversified investment recommendations, there is no guarantee that any particular asset allocation or mix of investments will provide a specified return or meet clients' investment objectives.

Furthermore, Firreo bases its investment advice on information self-reported by clients. Firreo's services are highly dependent on receiving accurate information from clients,

and Firreo does not independently verify the accuracy or completeness of provided information. If clients provide Firreo with inaccurate information or fail to promptly update information provided to Firreo when it changes, the quality and applicability of Firreo’s advisory services could be adversely impacted.

Software and Algorithm Risk: Firreo provides investment advisory services over the Internet only. Clients input information about themselves and their financial data in Firreo’s online interface and our software generates recommendations based on information provided. Firreo does not use all financial information collected from a client to make investment recommendations, but rather only uses select investment balances (referred to on our website as “core investments”) and bank account balances. These select investment balances provide sufficient information for Firreo to make suitable investment recommendations to help a client achieve financial independence. Firreo assesses a client’s “core investment” balances to assess a client’s progress in achieving financial independence and a client’s bank account balances to determine whether the client has a sufficient “emergency fund” in place (emergency fund being short-term funds reserved for emergency purposes). All other financial information provided by the client is saved for client tracking and monitoring purposes only.

Although Firreo has standards governing the design, development, and testing of software before launching software into production, there is a risk that software may not perform as intended or as disclosed. Firreo’s algorithms are designed to consider current market conditions and to assist clients in achieving Firreo’s optimal portfolio diversification. The algorithms may not perform as intended for a variety of reasons, including but not limited to, incorrect assumptions, changes in the market, available liquidity, and/or changes to data inputs. Additionally, the assumptions in the algorithms are limited by the quality of financial information input by the client (as described under “Investment Advice Risk” above).

Firreo periodically modifies its algorithms, or a computer system’s code or underlying assumptions, and these changes may have unintended consequences. Firreo conducts testing designed to ensure that our algorithms continue to function as intended when new code is introduced and existing code is updated. Although such testing is intended to ensure that code changes do not create unintended consequences, clients should understand that testing, no matter how comprehensive, cannot guarantee the absence of code-related issues with our algorithms.

Security Risk: As technology has become more common in financial services, client accounts have become potentially more susceptible to operational, information security, and related risks through breaches in cybersecurity. While Firreo strives to maintain reasonable and appropriate safeguards to ensure the security of its systems and software, a cyber incident may result from either intentional attacks or unintentional events and include, but are not limited to, gaining unauthorized access to login credentials or to digital systems, misappropriating sensitive information, causing a client account to lose proprietary information, corrupting data, or causing operational disruption, including denial-of-service attacks on websites. Firreo has established policies and procedures reasonably designed to reduce the risks associated with cyber

incidents, including the risk that federal securities laws are broken due to a cyber incident. However, there can be no assurance that these policies and procedures will prevent cyber incidents.

Regulatory Risk: Investment performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment adviser or securities trading regulation; change in the US 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.

B. Specific Risks Associated With Alternative Investments

Alternative investments are financial assets that do not fall under conventional asset classes such as stocks, bonds, and cash. This umbrella term is quite broad, encompassing private equity, venture capital, hedge funds, managed futures, commodities, real estate and collectibles like art and antiques.

Alternative assets are often more complex than traditional investment products. That complexity can be associated with higher risks. Because alternative assets have a low correlation to traditional markets, the risks accompanying them are also different. While alternative assets can provide higher returns and lower volatility due to portfolio diversification, it is important for investors to understand the risks of investing.

Alternative assets cover a wide array of investment products, all of which will carry slightly different types and levels of risk, but there are some commonalities. Below are some of the most common risks associated with all types of alternative assets.

Low Liquidity: Because many alternative assets are not publicly traded, it may be difficult to buy or sell these investments. Many hedge funds and private equity funds tend to have lockup periods that commit investors to a defined investment period during which redemptions can be impossible. Additionally, alternative assets such as collectibles (physical objects that hold value over a long period) are long-term investments, meaning their value appreciates slowly over time and is not dictated by market movement. This means most collectors have to hold these investments longer in order to see a return. Some alternative assets do trade on public markets or private secondary markets. This can help to alleviate some of the pain of illiquid investments (i.e. investments that hold value but can be difficult to sell), but they still will be less liquid than stocks.

Difficulty in Valuation: Traditional investments like equities and fixed income have an official market price, while most alternative assets do not. Traders in the equity market have multiple benchmarks by which to value their portfolios. These centralized and regulated benchmarks do not exist for most types of alternative assets. In the absence of a market price, it can be challenging to determine the value of alternative assets. Valuations, especially for hard assets

such as contemporary art or classic cars, may vary widely depending on the appraiser. These valuations are more vulnerable to subjectivity.

High Minimum Investments: Alternative assets have historically not been structured with the average individual investor in mind, so minimum investment requirements can often be very high. In the past, alternative assets had been restricted to accredited investors due to the risks associated, allowing them to create high initial minimum investments and charge higher fees. This is becoming less and less the case as more alternative investment platforms are available and the rise of fractionalized shares continues. Still, compared to the near nonexistent minimum for investing in mutual funds or ETFs, the minimum can be prohibitory.

While some alternative investments can carry very high minimum investment amounts, Firreo recommends alternative investments that only require minimum investments of \$5,000 or less.

More Complexity: Alternative assets, by nature of not being correlated with traditional markets, tend to have more complex valuation and return metrics. These investment instruments are often complicated and may require a higher level of due diligence before investing. Hedge funds, for example, may invest in a wide variety of assets and can utilize investment strategies such as short selling which heightens risk. The complex nature of alternative investment strategies is partly why alternative assets historically were only available to institutional investors. To best understand the complexity of these investment opportunities, investors often work with a financial advisor like Firreo. Advisors can assist in making investment decisions, general asset allocation, and helping investors reach their goals.

Lower Transparency & Regulation: Not all alternative investments are registered with the U.S. Securities and Exchange Commission (SEC) and therefore are not regulated the same as traditional asset classes. Alternative investments do fall under the purview of the Dodd-Frank Act and therefore, their practices may be reviewed by the SEC, but there is little to no registration requirement for many alternative investments purchased outright. Registration with the SEC provides an array of information for investors regarding the investment including deal sheets and information regarding historical performance. This information is likely unavailable for potential investors if an investment is not registered. However, alternative investments that are purchased through alternative investment platforms or through indices are more regulated than purchasing alternative investments outright. These platforms offer a higher level of transparency, information, and safety for investors. For alternative investment funds, risk factors include management risk. The performance of hedge funds, real estate investment trusts (“REITs”), funds of funds and more are often linked specifically to the performance of the fund manager.

Investors can overcome the risks of alternative investments. Because the performance of alternative investments has a low correlation with traditional financial markets, they typically help provide diversification across different markets, investment strategies, investment managers, and styles. Portfolio diversification can help to reduce overall volatility associated with market risk. In addition to portfolio management benefits, alternative investments provide the potential

for increased returns. Like any investment, the rate of return for alternative investments is never guaranteed.

Alternative investments have gained a lot of traction and popularity since the 2008 financial crash. When interest rates are rising, inflation is high, and/or the stock market is volatile, some investors may look beyond stocks and bonds for other options to invest their money. To understand why investors would take on these risks to invest in alternative assets, it is important to understand what potential upsides these investments provide.

The bottom line is that alternative investments have low correlation with the stock and bond market, and offer diversification and potentially higher returns when compared to equity investments. On the other hand, most alternative assets are relatively illiquid and complex, meaning they are difficult to sell quickly and often have higher risks than traditional investments.

Adding alternative assets to an investment portfolio is easier now than it has ever been in the past. High-yield alternative assets have historically been available only to investors with a significant net worth; however, with the rise of online investment platforms and fractionalization of shares, most average investors can now access private markets.

C. Other Risks

There are additional risks and uncertainties an investor should consider, including but not limited to: credit risk, emerging market risk, operational risk, and brand and reputational risk. There also may be risks that Firreo may be unaware of or that Firreo currently sees as immaterial but may impact a client's investment. Clients should read Firreo's entire Form ADV Brochure as well as other materials that may be provided by Firreo when deciding whether to use Firreo's services.

In the future, Firreo may construct additional investment strategies to provide more investment options to clients. More information about Firreo's investment strategy can be found in Firreo's online interface and in its publicly available disclosures.

Item 9: Disciplinary Information

Firreo has not been subject to any disciplinary events by regulators nor is it party to any legal events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

Firreo has no other financial industry activities or affiliations. Firreo has no relationships or arrangements to disclose that are material to its advisory business.

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

Firreo maintains a Code of Ethics designed to meet its fiduciary obligations to clients and detect and prevent violations of securities laws. Firreo's Code of Ethics establishes standards of conduct for all officers and future employees consistent with the code of ethics requirements of Rule 204A-1 under the Investment Advisers Act. All access persons must report current securities holdings that meet the requirements of Rule 204A-1. For purposes of Firreo's Code of Ethics, Firreo treats alternative investments like traditional securities and therefore subjects officers and future employees to similar prohibitions and disclosures that would be required for other investments. Individuals associated with Firreo are permitted to buy or sell investments identical to or different from those recommended to clients for their personal accounts. Individuals associated with Firreo may also be Firreo clients.

Any related person(s) to Firreo may have an interest or position in certain investments which may also be recommended to a client. Firreo or its related persons may therefore have a financial incentive to adjust Firreo's algorithm to recommend these same investments to clients in order to incentivize clients to continue using our service. Likewise, Firreo may recommend certain investments to clients even though the timing or performance of that investment is not optimal because our related persons own these same investments and are biased. The impact of this incentive is limited because the majority of investments recommended by Firreo are securities that are highly liquid, and therefore client activity is unlikely to materially impact their price.

The "alternative" investments recommended by Firreo may be more speculative and volatile than other assets, and trading by the related person(s) could potentially change the value of the alternative asset to be purchased or sold. Firreo or its related persons could be incentivized to favor their personal accounts over investments recommended to clients due to these potential changes in value of the alternative investments. In order to mitigate this risk, Firreo regularly monitors alternative investment holdings of related persons (as discussed above) to ensure that the volume of the individual alternative investments owned by the individual remains immaterial relative to their overall investment portfolio. Additionally, Firreo recommends that clients limit alternative investments to a relatively small percentage of their overall core investment portfolio, thereby limiting client exposure to material changes in the offering price or sale price of the alternative investments.

Firreo endeavors to always make decisions in the best interest of its clients and to eliminate, mitigate, and disclose conflicts of interest that arise between individuals associated with Firreo and clients. In order to monitor any conflicts of interest, Firreo monitors related persons' alternative asset transactions in their personal accounts, and related persons must disclose on an initial and annual basis the holdings of all personal alternative assets on a quarterly basis.

It is the express policy of Firreo that no person related to or employed by Firreo may use material, non-public information obtained during the course of his or her work in deciding

whether to recommend any asset to a client. This policy is intended to prevent related persons and employees from benefiting from investment recommendations made to clients.

A copy of Firreo's Code of Ethics is available to clients and prospective clients upon request by emailing help@firreo.com.

Item 12: Brokerage Practices

Firreo does not select or recommend broker-dealers for or to clients. Firreo does not purchase or sell securities on behalf of clients.

Item 13: Review of Accounts

As part of Firreo's service offerings, Firreo's software monitors client accounts on an ongoing basis. Firreo's investment tools are designed to provide clients with continuous access to account information through Firreo's online interface. Clients can utilize various tools on the interface to review their account and better understand their holdings and performance information. Clients also receive periodic emails from Firreo with information about their Accounts. Clients are directed on at least a quarterly basis to update their financial situation in the online interface. At any time, clients may update their financial profile and settings information in their account through Firreo's online interface. Clients can log into their account through Firreo's online interface at any time to review their financial situation and current investment recommendations.

Item 14: Client Referrals and Other Compensation

Firreo does not provide compensation for client referrals.

Item 15: Custody

Firreo does not take custody of client assets.

Item 16: Investment Discretion

Firreo does not have discretionary authority over client assets.

Item 17: Voting Client Securities

Firreo does not take custody of client assets, and therefore does not have authority to vote client securities.

Item 18: Financial Information

Balance Sheet Requirement: Firreo does not require or solicit prepayment of more than \$1,200 in advisory fees per client, six months or more in advance. Therefore, Firreo is not required to include a financial statement.

Discretionary Authority: Firreo does not have discretionary authority over or custody of client assets.

Bankruptcy Petition: Firreo has not been the subject of a bankruptcy petition at any time during the past ten (10) years.

Item 19: Requirements for State-Registered Advisers

Not applicable. Firreo is not a state-registered adviser.

Form ADV Part 2A – Appendix 1

Not applicable. Firreo does not offer a wrap fee program as part of its services.

Form ADV Part 2B

Not applicable. Firreo does not have any supervised persons.