A D D E N D U M

Intelligent Fund Management Regulation "D" Offering Extension
September 18, 2020

The Story so Far

OmniFunds is the product of Intelligent Fund Management, LLC ("IFM"). All Intellectual Property created for IFM, including the OmniFunds Server Software and Fund Switching Methods are owned by IFM.   The Regulation "D" [Private Placement Memorandum](#) continues to provide an accurate description of the mission of IFM – to compete in the Robo Advisor space with the goal of ultimately being acquired by a large institutional investor. This document is provided to disclose events and changes since the last IFM raise in 2018.

An Important Pivot

When we originally launched OmniFunds, we set out to create a "Robo Advisor". To achieve this, we registered IFM as a Digital Advisor in early 2017. About a year later, the SEC sent a list of requirements to continue as a Digital Advisor. After reviewing their specific feedback, we elected to withdraw our Registration and operate OmniFunds as an unregulated subscription service.

OmniFunds' unique selling proposition is "Returns Matter" because they do. OmniFunds has demonstrated real returns of 30%+ in both 2019 and 2020 (See *Appendix 1 – Actual Returns*). Given this continued level of success, we believe its value will be extremely high to the right institution(s).

Therefore, we are focused on documenting OmniFunds' Track Record to create the right conditions for an acquisition event, with the goal of first approaching the institutional space with the Track Record in January (See *"The Plan for Q4 2020"*)

At some point, it may make sense to re-register with the SEC and push OmniFunds into the market as a Robo Advisor.   However, success for our IFM investors is not dependent on OmniFunds being registered. In fact, we believe it is more important to be able to <u>freely advertise the benefits of OmniFunds in the open market</u> in order to attract subscribers and interest in the space.

The Path to Acquisition

OmniFunds Performance in 2019 and 2020

OmniFunds performed well in 2019 and 2020 (See *Appendix I – Actual Returns*).   While returns of 30%+ are excellent, we know that the overall investor experience can be improved, after making certain discoveries during the high levels of volatility seen during the pandemic.

In August, the IFM development team discovered that executions in the Simulation (published on the web site) could differ from what users would see in their accounts.   This was addressed, and a report added so users could easily compare their results (trade by trade) against the Simulation.

Performance was also improved by changing the way executions are handled in volatile markets (like the one we saw in 2020). These improvements were explained in "OmniFunds Improvements" on the [IFM Video Presentation,](#) and are scheduled to be released October 1, 2020.

Building a Documented Track Record in Q4

Development is deploying these improvements so we can generate an improved, documented record in all user accounts in Q4 of 2020.   OmniFunds currently has over 100 subscribers using the platform, which is more than adequate on which to base a record. Reports from the site showing actual executions in live accounts, as well as user testimonials, will provide this documentation.

We believe we may be able to show even better results in this time period. Jeff Drake has been working with internal resources to create an improved version of the *Resilient* OmniFund, with the goal of providing the best possible hedge during market downturns, while improving returns in Bull Markets. Great progress has been made on this new "All Markets" OmniFund, which we expect to unveil and release to customers ahead of October 1.

If Returns Matter...

Our work on OmniFunds now and in Q4 is designed to improve the investor experience and categorically prove that equity switching through the use of advanced algorithms can provide consistently high returns – significantly higher than what has been seen with Robo Advisors and many hedge funds.

We believe that once proven, this performance advantage will ultimately lead to acquisition offers being tendered by one or more institutions.   Acquisitions in the financial space of $100m or more are not unheard of.   The IFM-Nirvana team's end goal is to maximize this outcome for its investors.

The Plan for Q4 2020

IFM is raising $500,000 through the sale of 100 units of equity, in order to provide the capital to fund operations, the remaining development tasks, and marketing activities.   Development changes mentioned in the prior section will be released on the site, and the Marketing Team will spend in the consumer market to attract subscribers and refine the marketing message.

As stated in the [IFM Video Presentation](#), we plan to approach three distinct markets *(called "A 3-Prong Approach" in the video):* (1) Consumers, (2) Businesses [Introducing Brokers and Independent RIAs], and (3) Institutional Investors.

Consumer Sales – The Marketing Team has tested the Consumer market for OmniFunds and has seen a cost-per-click as low as $0.40 and cost-per-lead of about $27.   Marketing spends and expected sales are shown in the Pro Forma below. Our goal is to bring on about 100 new subscribers in Q4 to start building revenue and understand/improve sales conversion metrics for this business.

Introducing Brokers – IFM can directly trade customer accounts at Interactive Brokers because of Nirvana's relationship with Gar Wood Securities (an Introducing Broker). We will approach similar IB's with connections into other large brokers to leverage these relationships.

Independent RIAs – There are about 13,000 Registered Investment Advisors in the U.S.   Nirvana customers who are also RIAs have contacted IFM about using OmniFunds for their clients.

Institutions – With the completion of a documented Track Record in Q4, we will begin talking to large institutions (broker-dealers, pension funds, private equity firms, insurance companies, etc.) to make them aware of our technology and account performance. From those contacts, we expect to secure license agreements and open the door to acquisition talks.

Pro Forma

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Consumers												
1 Leads Generated	926	1,111	1,296	1,481	1,667	1,852	2,037	2,222	2,407	2,593	2,778	2,963
Conversion Rate	3%	4%	5%	5%	6%	6%	7%	7%	8%	8%	10%	10%
New Subscribers	28	44	65	74	100	111	143	156	193	207	278	296
Total Subscribers	28	72	137	211	311	422	565	720	913	1,120	1,398	1,694
Monthly Subscriptions (80%)	$2,200	$7,920	$18,773	$35,493	$60,133	$93,573	$138,307	$195,360	$267,667	$356,400	$467,133	$601,333
Annual Subscriptions (20%)	$5,528	$8,844	$12,898	$14,741	$19,900	$22,111	$28,376	$30,956	$38,326	$41,274	$55,278	$58,963
OmniFunds Pro (5% of new)	$2,771	$4,433	$6,465	$7,389	$9,975	$11,083	$14,224	$15,517	$19,211	$20,689	$27,708	$29,556
Total Consumer Sales	$10,499	$21,198	$38,137	$57,623	$90,008	$126,768	$180,906	$241,832	$325,204	$418,363	$550,119	$689,852
				6 Month Record Established								
Businesses												
2 Introducing Brokers	1	1	1	1	2	2	3	3	4	5	5	6
(+25 clients/month/IB)	$2,500	$5,000	$7,500	$10,000	$15,000	$20,000	$27,500	$35,000	$45,000	$57,500	$70,000	$85,000
3 Independent RIAs					2	5	10	15	15	15	15	15
($2,500 per RIA License)					$5,000	$12,500	$25,000	$37,500	$37,500	$37,500	$37,500	$37,500
Institutions												
4 Institutional Licenses							First Institutional License		1	1	2	2
($100,000 per license)									$100,000	$100,000	$200,000	$200,000
Net Sales Revenue	$12,999	$26,198	$45,637	$67,623	$110,008	$159,268	$233,406	$314,332	$507,704	$613,363	$857,619	$1,012,352
Marketing Expense	($25,000)	($30,000)	($35,000)	($40,000)	($45,000)	($50,000)	($55,000)	($60,000)	($65,000)	($70,000)	($75,000)	($80,000)
5 Nirvana Services	($150,000)	($100,000)	($75,000)	($50,000)	($50,000)	($50,000)	($50,000)	($50,000)	($50,000)	($50,000)	($50,000)	($50,000)
Net Income	($162,001)	($103,802)	($64,363)	($22,377)	$15,008	$59,268	$128,406	$204,332	$392,704	$493,363	$732,619	$882,352

Units (post-raise): 1384   **Oct-Sep Return per Unit: $1,846.47**
37% Return at $5,000 per unit

Acquisition talks expected to begin at the end of Q1

6 **Acquisition** — Acquisition Potential: $20m to $250m

Notes:

1) Standard qualified closure rates are about 15% but we need time to build trust, which is why the value starts at just 2%. Subscriptions are modeled at $99 for monthly and $995 for annual subscriptions. OmniFunds Pro is sold for $1,995.
2) Gar Wood Securities has about 3,000 clients. The Pro Forma assumes we close about 1% of these clients over the course of a year and that we do establish a 2nd Introducing Broker relationship until February.
3) There are about 13,000 Registered Investment Advisors in the U.S. The Pro Forma models a license Agreement at $2,500. Since the average RIA manages about 100 accounts, this puts the per-user cost at just $25/month.
4) We will approach institutions with our 6-month Track Record to generate interest and negotiate license fees. The Pro Forma assumes a large institution servicing 5,000+ accounts would pay $100,000/month ($20 per month per client).
5) The IFM-Nirvana Service Agreement specifies a monthly services fee of $150,000. However, the Agreement was amended in 2018 to reduce this at the discretion of the Manager. After Q4, we expect the fee to be $50,000 to cover direct costs.
6) It is difficult to forecast an acquisition event. A few benchmarks include CyberCorp (acquired by Charles Schwab for $350m) and FutureAdvisor (acquired by Black Rock for $153m). There is also IPO potential, but acquisition is our goal.

Summary

Our goals for IFM in the fourth quarter are to: (a) acquire subscribers in the consumer market, (b) build a documented Track Record on the platform and (c) make the case for acquisition by a large player.

Nirvana is re-tooling its marketing in order to effectively close customers for IFM while building sustaining revenue through the sales of its platforms, data, and other products - to reduce the need to raise additional funds after Q4. (See Risk Factors in the PPM and Subscription Agreement).

Institutions are the ultimate target. We will promote the OmniFunds story to generate sales and interest in the financial space. If and when acquisition offer(s) are tendered, the Manager will consult IFM members in order to arrive at the best possible consensus before acting on the offer(s).

Funds raised in this offering will primarily be used to compensate Nirvana for its focus on IFM in Q4. Nirvana's infrastructure, including its Data Feed & Data Servers, Development Staff, Support /Sales Staff and Management will be substantially deployed in Q4 to achieve the IFM goals.

Nirvana's commitment to each IFM Unit Holder is it will apply its resources to demonstrate revenue growth and the best possible Track Record so it can execute the remainder of The Plan in 2021.

Appendix I – Actual Returns in OmniFunds Accounts

2019:

Account Name	Config @ End Period	Config History	Gain/Loss%
M.M.	High Growth 10R		36.46
D.L.	High Growth 8R		33.63
S.T.	High Growth 10R		33.06
O.G.	Weekly Aggressive 10R	High Growth 10R to Weekly Aggressive 10R on 12/26/2019,	31.67
B.M.	High Growth 8R		28.13
J.R.	High Growth 8R		28.05
R.A.	High Growth 8R		25.77
D.L.	High Growth 8R		23.35
C.H.	High Growth 10R	High Growth 5R to High Growth 10R on 1/11/2019,	23.31
W.A.	Weekly Aggressive 5R		16.84
R.T.	Weekly Aggressive 5R		16.23
J.M.	High Growth 6R		15.72
		High Growth 7R on 1/11/2019,	15.34

2020: (through July 31)

Account Name	Config @ End Period	Config History	Gain/Loss%
L.C.	High Growth 2 10R		34.88
T.M.	High Growth 10R	Max Diversity 5R to Defensive Stocks 2 5R on 2/10/2020,Defensive Stocks 2 5R to Defensive Stocks 2 0R on 3/23/2020,Defensive	28.59
R.V.	High Growth 7R		16.48
T.M.	High Growth 10R	Defensive Stocks 2R to Defensive Stocks 5R on 6/19/2020,Defensive Stocks 5R to Defensive Stocks 2 5R on	16.36
C.C.	Ultra Aggressive 10R		13.75
V.D.	Ultra Aggressive 10R	Weekly Aggressive 10R to Ultra Aggressive 10R on 1/18/2020,	13.69
M.L.	Ultra Aggressive 10R		8.9
D.L.	High Growth 8R		5.26
A.K.	Resilient 10R	High Growth 8R to Resilient 10R on 6/19/2020,	1.91
			1.16

Variation in returns between accounts occurred due to allocation differences and switching between OmniFunds. The number "10R" at the end of the name means 100% allocated.