

Item 1. Cover Page

Brochure of
Binatix Labs LLC
651 Tennyson Avenue
Palo Alto, CA 94301
(650) 204-4929

October 8, 2015

This brochure provides information about the qualifications and business practices of Binatix Labs LLC (“Binatix”). If you have any questions about the contents of this brochure, please contact us at (650) 204-4929. 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 Binatix also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Material Changes

Not applicable.

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Item 4. Advisory Business

Binatix Labs LLC (“Binatix”) is a Delaware limited liability company that has been in business since May 2014. Binatix’s manager and sole owner is Binatix, Inc., a Delaware corporation. Nadav Ben-Efraim is the Chief Executive Officer of Binatix, Inc. and the Chief Executive Officer and Chief Compliance Officer of Binatix. Mr. Ben-Efraim is the only owner of at least 25% of Binatix, Inc.

Binatix provides investment recommendations that are generated through a proprietary quantitative-based method that employs, among other things, artificial-intelligence software licensed from third parties. Clients, using their discretion, then choose whether to follow those recommendations and clients execute any such investments they choose to accept. Binatix does not participate in the trade execution process. Binatix primarily recommends to its clients transactions (long and short) involving equity and equity-related securities (such as options and other derivatives) that are traded publicly in U.S. and global markets.

Binatix believes that it does not provide “continuous and regular supervisory or management services” for its clients because it has no discretionary authority over its clients’ accounts and no responsibility for arranging or effecting the purchase or sale of securities for clients’ accounts. Therefore, Binatix believes that its regulatory assets under management are zero. Nevertheless, the Firm has voluntarily chosen to include its clients’ assets toward its “regulatory assets under management” as a precautionary measure in case the SEC were to determine that Binatix should be registered. If Binatix were deemed to provide “continuous and regular supervisory or management services” for its clients, as of October 1, 2015, its regulatory assets under management on a discretionary basis would be approximately \$190,000,000.

Binatix does not tailor its services to the individual needs of its clients. Clients cannot impose restrictions on the recommendations Binatix makes to them, but those clients can choose whether or not to accept (and execute) any such recommendation.

Item 5. Fees and Compensation

Binatix is an SEC-registered adviser and delivers this brochure only to qualified purchasers, as defined in section 2(a)(51)(A) of the Investment Company Act of 1940, as amended. Therefore, information on how Binatix is compensated for its advisory services and its fee schedule are not included here.

Binatix bills its clients for fees incurred on a monthly, quarterly or annual basis, depending on the terms of its arrangement with its clients.

Each client is responsible for its own costs and expenses, including trading costs and expenses (such as brokerage commissions, expenses related to short sales, and clearing and settlement charges), ongoing legal, accounting, licensing and bookkeeping fees and expenses, and the fees and expenses charged by any fund administrator for its accounting, bookkeeping and other services.

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

Binatix provides advice only to clients that pay performance-based compensation. It does not provide advice to clients that do not pay performance-based compensation.

Item 7. Types of Clients

Binatix provides or expects to provide investment advice only to one sophisticated investment fund and one sophisticated investment advisory firm. Binatix does not seek new client relationships.

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

Investment Strategy

Binatix provides investment recommendations that are generated through a proprietary quantitative-based method that employs, among other things, artificial-intelligence software licensed from third parties. Clients then choose whether to follow those recommendations and then for arranging for execution of any such investments. Binatix does not participate in the trade execution process. Binatix primarily recommends to its clients transactions (long and short) involving equity and equity-related securities (such as options and other derivatives) that are traded publicly in U.S. and global markets.

The investment strategies summarized above represent Binatix's current intentions, are general in nature and are not exhaustive. There are no limits on the types of securities or positions that Binatix may recommend to its clients. In addition, there are limitations in describing any investment strategy due to its complexity, confidentiality and indefinite nature. Depending on conditions and trends in securities markets and the economy generally, Binatix may pursue any objectives or use any techniques that it considers appropriate and in its clients' interests.

Risk Factors

Investing in securities involves risk of loss that clients should be prepared to bear. Below are some of the risks that prospective clients should consider before engaging Binatix to provide investment recommendations. Any or all of such risks could materially and adversely affect investment performance, the value of any account or any security held in a client's account, and could cause clients to lose substantial amounts of money. Below is only a brief summary of some of the risks that a client may encounter. A potential client should discuss with Binatix's representatives any questions that such person may have before engaging Binatix to provide investment recommendations.

- Client accounts may not achieve their investment objectives. A strategy may not be successful and investors may lose some or all of their investment.
- Binatix's success depends, in part, on its ability to apply its own quantitative-based methods to generate investment recommendations using certain third party intellectual property (the "IP") that is sublicensed to it by its clients. Binatix's dependence on that IP creates unique risks. The IP may become outdated or inaccurate as market dynamics

shift over time. Further, Binatix's methods and the IP depend on information and data gathered from various sources, including information received through data licenses and information that third parties file with various government agencies or make directly available to Binatix or its affiliates. Binatix is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not readily available. Binatix's software or the IP may have bugs or errors, or Binatix or the third party the IP providers may incorrectly input formulas or codes or make other errors when constructing their software and IP. Any of these errors could cause Binatix to make investment recommendations that (if followed by a client) cause that client to lose a significant amount of money.

Binatix may be unsuccessful in continuing to develop and maintain effective software and techniques. If Binatix does not recognize shifts in market dynamics or data inaccuracies or does not correct any model errors in a timely manner, its clients could be adversely affected.

The software and other IP that Binatix uses or sub-licenses are proprietary and are protected by various U.S. and foreign laws regarding intellectual property ownership and use. Binatix may be unable to protect that intellectual property and its expertise effectively. Third parties could challenge, with or without merit, Binatix's or its affiliates' right to own and license that intellectual property in the future. If any of these events occur, Binatix's clients could be adversely affected.

- Binatix's systems and operations are dynamic and complex. Certain of its operations interface with and depend on data and other systems operated by third parties, and Binatix may not be able to quantify the risks or verify the reliability of such third-party systems. Certain operational risks may be intrinsic to Binatix's operations and may impact its financial or data processing or other systems, especially given the volume, diversity and complexity of Binatix's operations. Periods of market dislocation or abrupt regulatory change may exacerbate operational risk. The failure of one or more systems or operations or the inability of those systems or operations to meet Binatix's evolving demands could have a material adverse effect on its clients.
- Binatix's clients typically use significant leverage through margin, short selling and the leverage inherent in options and other derivatives, which increases volatility and risk of loss.
- Any gain or loss from the sale or exercise of an option is reduced or increased, respectively, by the amount of the premium paid. The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option.
- A client that accepts Binatix's recommendations may have higher portfolio turnover and transaction costs. These costs reduce investments and potential profit or increase loss.
- Binatix's clients sell securities short, resulting in a theoretically unlimited risk of loss if the prices of the securities sold short increase.

- Management and stockholders of an issuer may sue short sellers to prevent short sales of the issuer's securities. Binatix could be subject to such actions, even if they are baseless, and clients could incur substantial costs defending them.
- Counterparties such as brokers, dealers, futures commission merchants, custodians and administrators with which Binatix or its clients do business may default on their obligations. For example, a client may lose its assets on deposit with a broker if the broker, its clearing broker or an exchange clearing house becomes bankrupt.
- Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to clients.
- Some of the investments that Binatix recommends may be or become illiquid, in which case a Binatix client may not be able to sell such positions.
- The client and not Binatix (or Binatix's affiliates and agents) is responsible for any errors that Binatix makes in connection with Binatix's generation and transmission of investment recommendations, as well as any errors that a client makes in executing any such investments.
- Binatix's investment strategies have limited investment capacities. If Binatix miscalculates a strategy's investment capacity and its recommended transactions exceed that strategy's capacity during any given period, client performance will be adversely affected.
- Federal, state and international governments may increase regulation of investment advisers, private investment funds and derivative securities, which may increase the time and resources that Binatix must devote to regulatory compliance, to the detriment of its advisory activities.
- Binatix is not registered with the SEC as a broker-dealer or with the Commodity Futures Trading Commission as a commodity pool operator or commodity trading adviser. Binatix believes that none of these registrations is required because exemptions are available under applicable law. If a regulatory authority deems that any of these registrations is required, Binatix could be subject to expensive legal action and potential termination. In addition, clients do not have certain regulatory protection that they would have if these registrations were in place.
- Binatix and its affiliates spend time on activities that compete with clients, including providing investment advice to other clients and investing for their own accounts. In addition, Binatix or its affiliates or personnel invest in some of their clients and therefore will have an economic interest in the recommendations Binatix makes for those clients. If Binatix receives better compensation and other benefits with respect to other clients (or

has invested in those clients), it has incentive to allocate more time to those clients or activities.

- Binatix may provide certain clients more frequent or detailed reports, special compensation arrangements and other terms that it does not provide to other clients.

The above is only a brief summary of some of the important risks that a client may encounter.

Item 9. Disciplinary Information

This Item is not applicable, because Binatix has no reportable disciplinary information.

Item 10. Other Financial Industry Activities and Affiliations

This Item is not applicable, as Binatix does not have any reportable industry activities or affiliations.

Item 11. Code of Ethics, Participation or Interest In Client Transactions and Personal Trading

Binatix has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, that establishes standards of conduct for Binatix's supervised persons. The Code of Ethics includes general requirements that Binatix's supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires certain supervised persons, and any other persons the Chief Compliance Officer ("CCO") deems appropriate, to comply with the personal trading restrictions described below and periodically to report their personal transactions and holdings in "reportable securities" as defined in Rule 204A-1(e) under the Advisers Act to the CCO, and requires a member of the CCO's staff to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the CCO. Each supervised person of Binatix receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received those materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during the preceding year. Clients and prospective clients may obtain a copy of Binatix's Code of Ethics by contacting the CCO.

Under Binatix's Code of Ethics, Binatix and its supervised persons (i.e., "access persons" as defined in Rule 204A-1(a) under the Advisers Act) may not invest in any "reportable securities" as defined in Rule 204A-1(e) under the Advisers Act without the CCO's prior consent. The CCO may permit specific persons to engage in personal trading so long as they do not use their knowledge about actual or proposed recommendations for a client to profit personally by the market effect of such transactions and recommendations. To detect any violation of these policies, Binatix compares its client recommendations with the personal securities transactions reported to it.

Because Binatix has more than one client, there may be conflicts of interest over its time devoted to providing advice to any one client and allocating investment opportunities among all of its clients. For example, Binatix recommends transactions to each client based solely on the

strategy it has agreed to employ for that client. Different clients are given access to different investment strategies. Binatix may recommend a particular transaction for one type of client but not for another, or may recommend that a client buy a security while simultaneously recommending that another client sell the same security. Binatix attempts to resolve all such conflicts in a manner that is generally fair to all of its clients.

Item 12. Brokerage Practices

Binatix does not have discretion over the brokers that clients use for client transactions and does not negotiate the terms and conditions (including, among others, commission rates) relating to the services provided by any such broker. Binatix has no direct contact with clients' brokers and therefore will have no influence over or responsibility for the quality or cost of trade execution.

Item 13. Review of Accounts

Binatix only provides investment recommendations to clients. It does not review its clients' accounts. It does not provide regular reports to clients but may provide customized reports to clients from time to time on their request.

Item 14. Client Referrals and Other Compensation

Binatix does not engage solicitors to refer it clients.

Item 15. Custody

Binatix does not have custody of client funds or securities.

Item 16. Investment Discretion

Binatix prepares a regular list of investment recommendations for its clients. Those clients can choose whether to accept those recommendations and, if they do accept some or all of those recommendations, the clients arrange for execution of those transactions.

Item 17. Voting Client Securities

Binatix does not have proxy voting authority with respect to clients' securities.

Item 18. Financial Information

This Item is not applicable, because Binatix is not required to report financial information.

Item 19. Requirements for State-Registered Advisers

This Item is not applicable, because Binatix is not state-registered.

Binatix's Privacy Policy

Binatix:

- collects non-public personal information about its clients from the following sources:
 - information received from clients on applications or other forms, and
 - information about clients' transactions with Binatix, its affiliates or others;
- does not disclose any non-public personal information about its clients or former clients or investors to anyone, except as permitted by law;
- restricts access to non-public personal information about its clients to its employees who need to know that information to provide services to clients; and
- maintains physical, electronic and procedural safeguards that comply with federal standards to guard clients' personal information.