

# Magic Mind Advisors LLC

FORM ADV PART 2A

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Room 1701, Building 4, Huamao Business Building

Chaoyang District, Beijing, China

+86-18612249900 (Phone)

<http://www.adenfin.com> (Website)

This wrap fee brochure provides information about the qualifications and business practices of Magic Mind Advisors LLC and its registered investment adviser representatives. If you have any questions about the contents of this brochure, please contact us at +8618611198486 or [dana.guo@imagicmind.com](mailto:dana.guo@imagicmind.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration does not imply a certain level of skill or training. Additional information about Magic Mind Advisors LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number known as a CRD number. Magic Mind Advisors LLC's CRD number is 289398.

## ITEM 2 MATERIAL CHANGES

This version of Part 2A, Appendix 1 of Form ADV ("Firm Brochure") is the 120 day update for Magic Mind Advisors LLC. There are no material updates to filing, however, we encourage you to read the entire brochure in its entirety.

### **Full Brochure Available**

We will provide a new version of the Firm Brochure as necessary when updates or new information are added, at any time, without charge. Request a complete copy of our Firm Brochure, by contacting us by telephone at **+86-18612249900** or by email at [dana.guo@imagicmind.com](mailto:dana.guo@imagicmind.com).

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## **ITEM 4. ADVISORY BUSINESS**

### **A. FIRM DESCRIPTION**

Magic Mind Advisors LLC (“Magic Mind Advisors” or the “Firm”) was founded in July 2017 as a Delaware limited liability company. Magic Mind Advisors is an investment advisor registered with the Securities and Exchange Commission (“SEC”). The Firm is wholly owned by Dan Guo.

### **B. SERVICES**

Magic Mind Advisors offers individuals and high net worth individuals (“Clients”) unique automated investment advisory services over the internet to allow Clients convenient and personalized access to portfolio management. This Brochure is meant to help our Clients understand the nature of the advisory services offered by Magic Mind Advisors, whether the advisory services offered by Magic Mind Advisors are right for you, and the potential conflicts of interest associated with this service. You should review the contents of this Brochure carefully.

Prior to providing any discretionary services, Magic Mind Advisors will provide Clients with an Investment Management Agreement (the “Agreement”). Under the Agreement, the Clients provide their current and anticipated financial condition as well as their investment objectives and risk tolerance. Magic Mind Advisors begins by assessing our Clients’ risk profiles through an online questionnaire via the Magic Mind Advisors website or mobile application.

#### **Asset Allocator Program**

Magic Mind Advisors offers robo-advisor services to its Clients. This type of service involves making Client investment decisions through an online platform and based on an algorithm. The algorithm is designed to invest Client assets based on several factors, including the Client’s risk tolerance, investment objectives and portfolio guidelines.

The Client will initially answer several questions about their risk tolerance levels, investment objectives, financial information and personal information, including age, income and assets. Based on the responses provided by the Client, an algorithm will recommend a portfolio suitable for the Client. However, based on communications with the Client, Magic Mind Advisors has the ability to override the algorithm.

The Firm’s website and mobile application allows Clients to update their risk profiles online, and this will typically effect a change in their portfolio composition based upon the new risk profile. Clients are responsible for updating their profiles if there is a change in their investment objectives or risk tolerance levels. The Firm provides Clients with a dedicated login to its website where Clients can view their holdings and their account history. Client portfolios are periodically rebalanced on a discretionary basis to realign the portfolios to the desired weighting across investments. The Asset Allocator Program

Magic Mind Advisors will develop customized investment programs and guide our Clients' investments by recommending a customized portfolio of Exchange Traded Funds ("ETFs") and/or a customized portfolio of publicly traded equities ("Stocks").

Authorization pursuant to the Agreement to manage Clients' assets on a discretionary basis shall remain in full Magic Mind Advisor and effect until revoked by Clients in writing. Through signing the Agreement, Clients will authorize Magic Mind Advisors to perform the following services:

- a. Reflect Advisor's configuration of Advisor's Program on the Client Portal;
- b. Implement the Questionnaire;
- c. Operate the Asset Allocator Program to (i) implement Advisor's selections, modifications and replacement of Portfolios for Clients' Program Accounts, and (ii) perform the automatic rebalancing for Clients' Program Accounts; and
- d. Carry out the trade order management process via its clearing firm.

The Magic Mind Advisors platform maintains and monitors Clients' individual account parameters. It is the Client's obligation to inform the Firm if there is a change in the Client's investment objectives or risk tolerance.

The Magic Mind Advisors website and mobile application allows Clients to update their risk profiles online, and this will typically effect a change in their portfolio composition based upon the new risk profile. Magic Mind Advisors provides Clients with a dedicated login to its website where Clients can view their holdings and their account history. Client portfolios are periodically rebalanced on a discretionary basis to realign the portfolios to the desired weighting across investments.

Magic Mind Advisors, as a software based advisor, requires Clients to acknowledge their ability and willingness to conduct the relationship with Magic Mind Advisors on an electronic basis. Under the terms of the Agreement, Clients agree to receive all account information and account documents (including Brochures), and any updates or changes to the same, through access to the Magic Mind Advisors website, mobile application, and Magic Mind Advisor's electronic communications. Unless noted otherwise on the Magic Mind Advisors website or within this Brochure, Magic Mind Advisor's advisory service, the Portfolio Manager's portfolio management services, Interactive Brokers, LLC ("Interactive Brokers") brokerage services, the signature for the Agreement and Brokerage Agreement, and all other documentation related to the advisory and brokerage services are managed electronically. In order for the Firm to provide these services, the Clients must establish a brokerage relationship with Interactive Brokers, a FINRA member broker-dealer.

In its management of Clients' portfolios, Magic Mind Advisors will seek to ensure that certain conditions are met and maintained, however Clients may not provide specific restrictions in their account. The software-based advisory services generally include preselected ETFs and/or stocks for each asset class within the plans recommended to Clients by Magic Mind Advisors. Magic Mind Advisors does not allow Clients to select their own ETFs or stocks because the preselected securities and asset class is considered to be

part of the overall investment plan. Clients must promptly notify Magic Mind Advisors of any change to their financial situations or investment objectives that might require a review or revision of their portfolios. The investment advisor representative will be reasonably available to clients for consultation on these matters and will act on any changes in financial circumstances deemed to be material or appropriate as soon as practical after the investment advisor representative is notified in writing by Clients.

At any time, Clients may terminate an account or withdraw all or part of an account, or update their investment profits, which may initiate an adjustment in the account holdings. Unless otherwise directed by Clients, Magic Mind Advisors will sell the securities in their accounts (or a portion of the account in the case of a partial withdrawal or update) at market price at or around the time of termination, withdrawal or update.

### **C. Assets Under Management**

As of May 11, 2018, Magic Mind Advisors did not have any assets under management.

## **ITEM 5. FEES AND COMPENSATION**

Magic Mind's investment service may involve three potential fees: a performance fee, a management fee and a transaction based fee that are as follows:

Account Size	Performance Fee	Management Fee
< \$10,000	20%	\$10 per month
\$10,001 - \$20,000	20%	\$2 per month
\$21,000 - \$500,000	18%	0
\$500,001 +	15%	0

Additionally, clients may be required to pay their own transaction expenses and investment related expenses, including brokerage commissions, clearing and settlement charges, custodial fees, interest expense, expenses related to consultants, brokers or other professional or advisers who provide research, due diligence services.

Our Firm's fees are billed on a pro-rata annualized basis monthly in arrears based on the value of your account on the last day of the previous month. Fees will be automatically deducted from your managed account. Please note that fees will be adjusted for deposits and withdrawals made during the month. As part of this process, Clients must understand and acknowledge the following:

1. Interactive Brokers sends statements at least quarterly to you showing all disbursements for your account, including the amount of the advisory fees paid;
2. Clients provide authorization permitting fees to be directly paid by these terms; and
3. Interactive Brokers calculates the advisory fees and deducts them from accounts.

## **ITEM 6. PERFORMANCE FEES AND SIDE-BY-SIDE MANAGEMENT**

As stated above, Magic Mind Advisors generally charges, performance-based fees based on the net capital appreciation of the Client's account. The fact that Magic Mind is compensated based on the amount of a Client's profits may create an incentive for Magic Mind Advisors to make investments on behalf of the Client that are riskier or more speculative than would be the case in the absence of such compensation. Further, investment advisers have an inherent conflict of interest to favor Clients or accounts that pay more in fees, such as performance based fees. In addition, performance-based fees received by Magic Mind Advisors are primarily based on realized and unrealized gains and losses.

Magic Mind Advisors has adopted and implemented written compliance policies and procedures that are designed to address the above conflicts of interest. Further, Magic Mind Advisors has a fiduciary duty to act in the best interests of its Clients and, if applicable, separately managed accounts. Where applicable, performance-based compensation is charged by the Firm in conformity with Section 205 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and Rule 205-3 thereunder, as applicable.

## **ITEM 7. TYPES OF CLIENTS**

Magic Mind Advisor's Clients include individuals, pooled investment vehicles and high net worth individuals.

## **ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

The Magic Mind Asset Allocator Program provides Clients with discretionary asset allocation based on Modern Portfolio Theory (MPT). The 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, by selecting the proportions of various asset classes rather than selecting individual securities.

### **Risk Considerations**

Magic Mind Advisors does not guarantee the future performance of the Client's account. Client understands that investments made via the Magic Mind Asset Allocator product or via the Magic Mind Advisor product, involve substantial risk and are subject to various market, currency, economic, political and business risks, and that those investment decisions and actions will not always be profitable. Client may not get back the amount invested in either account. Subject to the Investment Advisers Act of 1940, Magic Mind Advisors shall have no liability for any losses in Client's account.

The price of any security or the value of an entire asset class can decline for a variety of reasons outside of Magic Mind Advisor'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. There is no guarantee that Magic Mind Advisor's judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results.

Magic Mind Advisor's judgment may prove to be incorrect, and a Client might not achieve his or her investment objectives. High volatility and/or the lack of deep and active liquid markets for a security may prevent a Client from selling her securities at all, or at an advantageous time or price because Magic Mind Advisor and the executing broker may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. Finally, performance based fees can increase the risk of excessive trading in Client accounts.

The Magic Mind Asset Allocator Program by its automated nature limits excessive trading risk, although human programming error may result in excessive trading. Magic Mind Advisors 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 risks may not be all-inclusive, but should be considered carefully by a prospective Client before retaining Magic Mind Advisor's services. These risks 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.

**Robo-Advisor Risk** – As described above, Magic Mind Advisor's services and the Asset Allocated Program are robo-adviser services. Clients should be aware that investment decisions are generated through a pre-constructed algorithm to make investment decisions based on the Client's stated risk tolerance levels and investment objectives. Each individual Client's account may not be reviewed by Magic Mind Advisors. However, the Firm will test and review the algorithm and robo-adviser trading platform to make sure it is operating correctly. Furthermore, it is the Client's responsibility to inform the Firm of any changes in their risk tolerance, investment objectives or personal financial situation that may effect the Firm's services.

**Market Risk** - The price of any security or the value of an entire asset class can decline for a variety of reasons outside of the Firm'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. If a Client has a high allocation in a particular asset class it may negatively affect overall performance to the extent that the asset class



underperforms relative to other market assets. Conversely, a low allocation to a particular asset class that outperforms other asset classes in a particular period will cause that Client Account to underperform relative to the overall market.

**Investment Risk** - There is no guarantee that the Firm's judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. The Firm's judgment may prove to be incorrect, and a Client might not achieve his or her investment objectives. Magic Mind Advisors may also make future changes to the investing algorithms and services that it provides.

In addition, it is possible that Clients or Magic Mind Advisors itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to Magic Mind Advisor's software based financial service. Magic Mind Advisors and its representatives are not responsible to any Client for losses unless caused by Magic Mind Advisors breaching its fiduciary duty.

**Volatility and Correlation Risk** - Clients should be aware that Magic Mind Advisor's asset selection process is based in part on a careful evaluation of past price performance and volatility in order to evaluate future probabilities. However, it is possible that different or unrelated asset classes may exhibit similar price changes in similar directions which may adversely affect a Client, 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.

**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 her securities at all, or at an advantageous time or price because Magic Mind and the executing broker may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. Some securities that hold or trade financial instruments may be adversely affected by liquidity issues as they manage their portfolios. While Magic Mind Advisors values the securities held in Client Accounts based on reasonably available exchange-traded security data, Magic Mind Advisors may from time to time receive or use inaccurate data, which could adversely affect security valuations, transaction size for purchases or sales, and/or the resulting fees paid by a Client to Magic Mind Advisors.

**Credit Risk** - Magic Mind Advisors cannot control and Clients are exposed to the risk that financial intermediaries or security issuers may experience adverse economic consequences that may include impaired credit ratings, default, bankruptcy or insolvency, any of which may affect portfolio values or management. This risk applies to assets on deposit with any Broker utilized by Client, notwithstanding asset segregation and insurance requirements that are beneficial to Clients generally. In addition, exchange trading venues or trade settlement and clearing intermediaries could experience adverse events that may temporarily or permanently limit trading or adversely affect the value of Client securities. Finally, any issuer of securities may experience a credit event that could impair or erase the value of the issuer's securities held by a Client.

Magic Mind Advisors wants to limit credit risk by generally adhering to the purchase of securities, which are subject to regulatory limits on asset segregation and leverage such that fund shareholders are given liquidation priority versus the fund issuer; however, certain funds and products may involve higher issuer credit risk because they are not structured as a registered fund.

**Legislative Risk** - Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment advisor or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities. Magic Mind Advisors does not engage in financial or tax planning, and in certain circumstances a Client may incur taxable income on her investments without a cash distribution to pay the tax due.

**Foreign Investing and Emerging Markets Risk** - Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, 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.

**ETF Risks, including Net Asset Valuations and Tracking Error** - ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

**Clients should be aware that to the extent they invest in ETF securities they will pay two levels of compensation** - fees charged by Magic Mind Advisors plus any management

fees charged by the issuer of the ETF. This scenario may cause a higher cost (and potentially lower investment returns) than if a Client purchased the ETF directly.

An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of the fund may include investment advisor management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. Magic Mind Advisors discloses each ETF's current information, including expenses, on the Site. ETF tracking error and expenses may vary.

**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. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar- denominated assets primarily managed by Magic Mind Advisors may be affected by the risk that currency devaluations affect Client purchasing power.

**Leverage** - Magic Mind Advisors may recommend leveraged ETFs for a clients' portfolios. This can amplify exposure to the market, meaning that a percentage of market loss may be greater in a client's portfolio.

**Short Positions** - Magic Mind Advisors may in the future recommend client's short a security. With a short position, the potential for loss is unlimited.

**Derivatives** - Magic Mind Advisors may in the future recommend the use of options within client portfolios. Options can serve to mitigate risk, but they can also enhance risk by amplifying losses.

## **ITEM 9. DISCIPLINARY INFORMATION**

Magic Mind Advisors is required to disclose whether there are legal or disciplinary events that are material to our Clients' or prospective Client' evaluation of Magic Mind Advisor's advisory business or the integrity of its management. None of Magic Mind Advisors, its principals, or its employees have been involved in any legal or disciplinary proceedings related to past or present investment advisory Clients.

## **ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Magic Mind Advisors does not have any other financial industry activities and affiliations to report at this time.

## **ITEM 11. CODE OF ETHICS, PARTICIPATIONS OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Magic Mind Advisors has adopted a Code of Ethics (the “Code”) to govern its advisory services and comply with the Investment Advisers Act of 1940. The Code contains policies and procedures that are designed to foster compliance with applicable federal statutes and regulatory requirements, prevent circumstances that may lead to or give the appearance of conflicts of interest with Clients, insider trading, or unethical business conduct as well as promote a culture of high ethical standards. The Code applies to all supervised persons at Magic Mind Advisors. The Code also governs personal securities transactions and holdings of Magic Mind Advisor’s access persons, as defined by Rule 204A-1 under the Advisers Act, and include Magic Mind Advisor’s employees and their related accounts (“Access Persons”). Access Persons do not purchase or sell any securities for their own accounts to or from the Clients. Access Persons are permitted to maintain personal securities accounts provided that such accounts are disclosed to the Investment Manager and that any personal trading is consistent with applicable law and with the Code.

Magic Mind Advisor and its employees and/or Access Persons (collectively “Related Persons”), have maintained an investment, and in certain instances all or nearly all of the interests, in the Funds managed by Magic Mind Advisor. As a result, Related Persons have an interest in an investment that may also be recommended to investors. Subject to compliance with the Code, including pre-clearance, Access Persons may buy, sell or hold for their own personal accounts, securities that the Investment Manager also may buy, sell or hold for its Clients. Such transactions may create a conflict of interest for Access Persons to favor their own investment transactions over Client transactions. The Code is designed to mitigate (potential) conflicts of interest associated with Access Persons’ personal trading. Among other things, the Code:

- prohibits Access Persons from taking personal advantage of opportunities belonging to Clients;
- prohibits trading on the basis of material nonpublic information;
- places limitations on personal trading by Access Persons and imposes preclearance and reporting obligations with respect to trading; and
- requires initial and annual reports of all personal securities accounts that hold, or can hold, reportable securities, all securities holdings in such accounts, as well as quarterly transaction reports by Access Persons.

The Code also includes policies designed to impose limitations with respect to the giving or receiving of gifts and entertainment, and monitor Supervised Persons’ participation in outside business activities. Further, the Code requires Magic Mind Advisor and its Supervised

Persons to pre-clear certain political donations. Policies and procedures for reporting, investigating, and treating violations are included in the Code.

The Code is available to Clients and prospective Clients upon request by contacting Magic Mind Advisor's Chief Compliance Officer. Section 206(3) of the Advisers Act makes it unlawful for any investment adviser, directly or indirectly, acting as principal for its own account, knowingly to sell any security to or purchase any security from a Client without disclosing to the Client in writing the capacity in which the adviser is acting and obtaining the Client's consent to the transaction.

Magic Mind Advisor does not anticipate engaging in principal transactions with Clients. However, Magic Mind Advisor has adopted specific policies and procedures for monitoring the level of proprietary ownership in each Client's account. Should Magic Mind Advisor decide to engage in a principal transaction with a Client, Magic Mind Advisor will affect the transaction in compliance with Section 206(3) of the Advisers Act.

## **ITEM 12. BROKERAGE PRACTICES**

Magic Mind Advisors utilizes Interactive Brokers to execute transactions on behalf of its Clients. Magic Mind Advisors has selected Interactive Brokers for this function due to its involvement in the robo-advisor platform that Magic Mind Advisors participates in. Furthermore, Magic Mind Advisors uses Interactive Brokers to execute client transactions due to its execution speed, efficiency, timeliness and reputation in the field.

You may pay product or custodial fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within fee you are charged by our firm and Magic Mind Advisors does not benefit directly or indirectly from any such fees. An ETF typically includes embedded expenses that may reduce the ETF's net asset value, and therefore may directly affect the ETF's performance and indirectly affect Clients' portfolio performances or an index benchmark comparison. Expenses of an ETF may include management fees, custodian fees, brokerage commissions and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuers.

## **ITEM 13. REVIEW OF ACCOUNTS**

Magic Mind Advisors regularly reviews and evaluates the algorithm behind the Magic Mind Asset Allocator. The Firm analyzes rates of return and allocation of assets to determine model strategy effectiveness. Such reviews are conducted by Dan Guo, as Chief Compliance Officer of Magic Mind Advisors. The Firm will not however evaluate every Client's individual account on a regular basis.

In all cases, portfolios are reviewed when significant cash or securities are added to or withdrawn from the account or when Magic Mind Advisors is advised of a change in circumstances that warrants a change in management of the account. Other events that may trigger a review include asset allocation imbalances or significant model or investment strategy changes. Magic Mind Advisors utilizes various tools and quality control reports available with its custodians and broker-dealers to identify these triggers.

Magic Mind Advisors will provide real-time account balances and returns to Clients via their online console, which is also available through their mobile application and is supported by the Portfolio Manager. Interactive Brokers will also provide Clients at least quarterly statements. Additionally, Clients will receive written statements detailing the portfolio performance no less than quarterly from Interactive Brokers. Clients are advised to carefully review and compare reports and statements provided by Interactive Brokers.

## **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

Magic Mind Advisors and its related persons do not receive an economic benefit (such as sales awards or other prizes) from any third party for providing investment advice or other advisory services to its Clients. However, we may receive from a broker-dealer or a fund company, without cost and/or at a discount, certain services and/or products, to assist in monitoring and servicing Client accounts. These may include investment-related research, pricing information and market data, software and other technology that provide access to Client account data, compliance and/or practice management-related publications, discounted or free consulting services, discounted or free attendance at conferences, meetings, and other educational or social events, marketing support, computer hardware or software, and other products used by us to assist us in our investment advisory business operations. Magic Mind Advisors and its related persons currently have no arrangements with unaffiliated third parties in order to market the firm or its investment strategies. We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their Clients to Magic Mind Advisors.

## **ITEM 15. CUSTODY**

Clients are also provided a Customer Brokerage and Custody Agreement (the "Brokerage Agreement") with Interactive Brokers, which establishes the Client accounts and through which Interactive Brokers provides the brokerage services. As described earlier, Interactive Brokers will also provide Clients at least quarterly statements. Additionally, Clients will receive written statements detailing the portfolio performance no less than quarterly from Interactive Brokers. Clients are advised to carefully review and compare reports and statements provided by Interactive Brokers. Clients are urged to compare those statements received by Interactive Brokers with the account information that appears online on Magic Mind Advisor's platform about their Account.

## **ITEM 16. INVESTMENT DISCRETION**

Magic Mind Advisor has full discretionary authority to manage the Clients' accounts, including authority to make decisions with respect to which investments are bought and sold. As discussed earlier, investment decisions are determined by the Magic Mind Asset Allocator program and its related algorithm.

## **ITEM 17. VOTING CLIENT SECURITIES**

Magic Mind Advisors does not have the authority to vote Client securities on behalf of its Clients.

## **ITEM 18. FINANCIAL INFORMATION**

Magic Mind Advisors has no financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients.

## **PRIVACY POLICY**

Magic Mind Advisors does not disclose nonpublic personal information about its Clients or former Clients to third parties other than as described below. Magic Mind Advisors collects information about its Clients (such as name, address, social security number, assets and income) from the Firm's discussions with Clients, from documents that Clients may deliver to the Firm (such as subscription documents) and in the course of providing services to Clients. In order to service Clients' accounts and effect investment transactions, Magic Mind Advisors may provide Clients' personal information to the Firm's affiliates and to firms that assist Magic Mind Advisors in servicing Client accounts and have a need for such information, such as portfolio managers, brokers, distributors, legal counsel, fund administrators, or accountants. Magic Mind Advisors does not otherwise provide information about Clients to outside firms, organizations, or individuals except as required or permitted by law. Any party that receives this information will use it only for the services required and as allowed by applicable law or regulation, and is not permitted to share or use this information for any other purpose.