

Magic Mind Advisors LLC

FORM ADV PART 2A

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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 +86-18612249900 or 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. 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 annual update to the brochure document for Magic Mind Advisors LLC. It contains information about our business practices as well as a description of potential conflicts of interest relating to our advisory business which could affect client accounts with us. We are providing this material in accordance with Rule 204-3 of the Investment Advisers Act of 1940, which requires a registered investment adviser to provide a written disclosure statement upon entering into an advisory relationship.

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.

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ITEM 4. ADVISORY BUSINESS

A. FIRM DESCRIPTION

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

Magic Mind manages assets as part of the Magic Mind Advisors LLC Wrap Fee Program. A wrap fee program is a common alternative to a typical advisory fee structure that provides Clients with discretionary advisory, execution and clearing and custodial services for one all-inclusive bundled fee with no additional account activity charges. In exchange for these “bundled” services, Clients pay an all-inclusive (or “wrap”) fee determined as a percentage of the assets held in the wrap account. As such, Magic Mind charges Clients a management fee that covers the investment advisory services it provides, as well as the brokerage and custodial services provided by Redbridge Securities LLC, an unaffiliated broker-dealer (“Redbridge” or “Broker”). Your fee is bundled with our costs for executing transactions in your account(s). Please see Item 6 for additional information on brokerage consideration.

Prior to providing any discretionary services, Magic Mind 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 begins by assessing our Clients’ risk profiles through an online questionnaire via the Magic Mind website or mobile application. The Clients are also provided a Customer Brokerage and Custody Agreement (the “Brokerage Agreement”) with Redbridge, which establishes the Client accounts and through which Redbridge provides the brokerage services.

Clients for whom Magic Mind is providing discretionary investment management services grant Magic Mind a limited power of attorney permitting Magic Mind to buy and sell securities on Clients’ behalf, which are custodied with Redbridge. Redbridge was selected by BBAE Advisors, LLC (“BBAE” or the “Sponsor”). BBAE is an investment advisor registered with the SEC. Magic Mind’s Clients will have their trades executed through the Sponsor’s preferred broker, Redbridge, pursuant to the sub-advisor agreement between Magic Mind and BBAE (the “Sub-Advisor Agreement”). Authorization

pursuant to the Agreement to manage Clients' assets on a discretionary basis shall remain in full force and effect until revoked by Clients in writing. Pursuant to the Sub- advisor agreement, Magic Mind appoints BBAE as a limited agent of the Advisor solely for the purpose of implementing Magic Mind's program as follows:

- 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 platform maintains and monitors Clients' individual account parameters. This review may include types of account, investment objectives, overall financial conditions, personal and business assets, risk tolerances, and other factors unique to Clients' individual situations. Based on our Clients' parameters, the Sponsor will develop customized investment portfolios. Periodic reviews of Clients' investment programs may result in our Clients' programs being revised by the Sponsor, from time to time.

Magic Mind offers discretionary services to Clients by providing real-time access to affordable, professional and customized portfolio management (ranging from highly conservative to very aggressive) through its website. Magic Mind 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");

The Magic Mind 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 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, as a software based advisor, requires Clients to acknowledge their ability and willingness to conduct the relationship with Magic Mind 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 website, mobile application, and Magic Mind's electronic communications. Unless noted otherwise on the Magic Mind website or within this Brochure, Magic Mind's advisory service, the Sponsor's portfolio management services, Redbridge's 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 its management of Clients' portfolios, Magic Mind 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. Magic Mind 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 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 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.

The Client will 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 has the ability to override the algorithm,

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C. Assets Under Management

As of March 31, 2019, 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 |

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. Redbridge 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. Redbridge calculates the advisory fees and deducts them from the Client accounts.

Pursuant to the Sub-Advisor Agreement, Redbridge, as the preferred broker and custodian for the Sponsor, will first pay the advisory fees deducted from Client accounts to the Sponsor.

Clients will not have to pay any fees in addition to the Wrap Fee, which includes the Sponsor's fee. However, other advisers providing similar services may require clients to pay for their own transaction expenses, including, but not limited to, investment-related expenses (such as brokerage commissions, clearing and settlement charges, custodial fees, interest expenses, expenses relating to consultants, brokers or other professionals or advisors who provide research, advice or due diligence services with regard to investments); any applicable tax liabilities (including transfer taxes and withholding taxes); and other similar expenses related to their account in addition to advisory fees.

A wrap fee program allows our Clients to pay a specified fee for investment advisory services and the execution of transactions. The advisory services may include portfolio management and the fee is not based directly upon transactions in your account. Your fee is bundled with our costs for executing transactions in your account(s). This results in a higher advisory fee to you.

Magic Mind does not charge Clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we are charged for executed trades. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

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 the wrap-fee you are charged by our firm and Magic Mind 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.

Our investment advisory representatives receive a portion of the advisory fee that you pay us, either directly or as a percentage of your overall fee or as their salary from our firm. In cases where our investment advisory representatives are paid a percentage of your overall advisory fee, this may create an incentive to recommend that you participate in a wrap fee program rather than a non-wrap fee program (where you would pay for trade execution costs) or brokerage account where commissions are charged. This is because, in some cases, we may stand to earn more compensation from advisory fees paid to us through a wrap fee program arrangement if your account is not actively traded.

ITEM 6 PORTFOLIO MANAGER SELECTION AND EVALUATION

Magic Mind is considered the portfolio manager of the Wrap Fee program. Magic Mind is responsible for selecting portfolio models for clients. Magic Mind and its related persons act as sponsor for the Wrap Fee Program and have selected BBAE as the sponsor. Magic Mind directly manages the portfolios of Clients pursuant to their Client Agreements. This may create a conflict of interest in that other investment advisory firms may charge the same or lower fees than our firm for similar services. Magic Mind requires its portfolio managers to meet firm or industry experience levels and complete specialized training unless they possess equivalent portfolio management experience. Magic Mind evaluates a variety of information which may include the portfolio manager's investment strategies, past performance returns and financial strength, technology, portfolio customization model and portfolio rebalancing decision model, among other factors. Magic Mind will consider replacing a portfolio manager if, based on its independent judgment, the portfolio manager does not meet return expectations.

Magic Mind will use industry standards to calculate portfolio manager performance to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed at least monthly and is reviewed by Magic Mind.

ITEM 7 CLIENT INFORMATION PROVIDED TO SPONSORS

Magic Mind communicates with the Sponsor on a regular basis as needed (daily, weekly, monthly, etc.) to ensure our Clients' most current investment goals and objectives are understood by the portfolio manager and Sponsor. In most cases, Magic Mind will communicate such information as part of its regular investment management duties. Nevertheless, Magic Mind will also communicate information to the Sponsor when requested by Clients, when market or economic conditions make it prudent to do so, etc.

Magic Mind's investment advisers have access to all Client information obtained by Magic Mind, in order to be able to communicate with Clients should any questions about their accounts arise. Because BBAE is the sponsor for Magic Mind's Clients, BBAE will also have access to Client information obtained by Magic Mind for the particular accounts they

manage. Such information includes Client identifying information such as name, address and tax ID; investment profile information such as investment objective and risk tolerance; and administrative information such as disbursement requests, statements, confirmations and other documents prepared by the custodian or Broker.

ITEM 8 CLIENT CONTACT WITH SPONSOR

For the programs described in this Brochure, most Client contacts and communications regarding participation in the Wrap Fee Program will occur through contact with Magic Mind via email, the Magic Mind website, or the Magic Mind mobile application.

However, Clients may contact Magic Mind at any time during normal business hours. Normal business hours are 9:30 am to 5:30 pm Beijing Standard Time. Magic Mind will generally conduct all communications with Clients, except that Clients may be referred to the Sponsor directly for complex and non-routine questions or communications. Magic Mind will make reasonable efforts to be available to Clients to discuss management of their accounts, their financial situation and investment objectives. If Magic Mind is not available, calls will automatically be forwarded to the Sponsor who will respond to Client communications.

ITEM 9 ADDITIONAL INFORMATION

A. DISCIPLINARY INFORMATION

Magic Mind is required to disclose whether there are legal or disciplinary events that are material to our Clients' or prospective Client' evaluation of Magic Mind's advisory business or the integrity of its management. Neither Magic Mind, its principals, or its employees have been involved in any legal or disciplinary proceedings related to past or present investment advisory Clients.

B. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Magic Mind is not a registered broker-dealer and does not have an application pending to register as a broker-dealer. Furthermore, none of Magic Mind's management or supervised persons is a registered representative of a broker-dealer and no such person has an application pending to become a registered representative of a broker-dealer.

Magic Mind is not a registered futures commission merchant, commodity pool operator, or commodity trading advisor and does not have an application pending to register as such. Furthermore, none of Magic Mind's principals or supervised persons is registered as, or has an application pending to register as, an associated person of any of the foregoing types of firms.

Magic Mind is not affiliated with an insurance company or agency which receives commissions or fees. Magic Mind does not have any other arrangements with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser, futures commission merchant, banking or thrift institution, accounting firm, law firm, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships other than those already disclosed herein.

As discussed in Item 4 above, Magic Mind uses BBAE as its sponsor and pays BBAE a fee. Magic Mind and BBAE are otherwise unaffiliated and are not related persons.

C. CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Magic Mind has adopted a Code of Ethics (the “Code”) for all supervised persons of the Firm. The Code summarizes the Firm’s values, ethical standards and commitment to address potential conflicts of interest that arise from its activities. Policies and procedures have been designed to implement the principles in the Code. Magic Mind will provide a copy of its Code of Ethics to Clients or prospective Clients upon request.

Magic Mind does not manage any “proprietary” investment accounts; i.e., accounts that are funded with the Firm’s own money and are intended to create profits for the Firm. Accordingly, Magic Mind in the ordinary course does not compete with Clients in the market for securities. Similarly, Magic Mind does not use its own money to trade as a counterparty with Client accounts.

Magic Mind’s employees may at any time buy or sell securities that are also held by Clients. This practice may present a conflict of interest in that employees may have an incentive to place trades in order to benefit from any price movements resulting from Client trades. However, our Code of Ethics requires employees to act in the best interests of Clients.

D. REVIEW OF ACCOUNTS

Magic Mind regularly reviews and evaluates Client accounts for compliance with Clients’ investment objectives, policies and restrictions. The Firm analyzes rates of return and allocation of assets to determine model strategy effectiveness. Such reviews are conducted by Dan Guo.

In all cases, portfolios are reviewed when significant cash or securities are added to or withdrawn from the account or when Magic Mind 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 utilizes various tools and quality control reports available with its custodians and broker-dealers to identify these triggers.

Magic Mind has adopted policies and procedures governing the review of its Clients’ accounts. Magic Mind may not review each individual Client’s account, but rather will make sure the algorithms are working properly to manage the Clients’ assets according to their investment guidelines.

Magic Mind 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 Sponsor. Redbridge will also provide Clients at least quarterly statements. Additionally, Clients will receive written statements detailing the portfolio performance no less than quarterly from Redbridge. Clients are advised to carefully review and compare reports and statements provided by Redbridge.

E. CLIENT REFERRALS AND OTHER COMPENSATION

Magic Mind 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 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.

F. FINANCIAL INFORMATION

Magic Mind does not require nor solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance. Magic Mind is not presently aware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to our Clients.

Magic Mind has not been the subject of a bankruptcy petition at any time during the last 10 years.