

Form ADV Part 2A



SCIENTIFIC INVESTMENT MANAGEMENT BROCHURE

Scientific Investment Management

71 Commercial St #360

Boston, MA 02110

617-237-6849

www.scientificinvestmentmanagement.com

November 19, 2019

Item 1: Cover Page

This brochure provides information about the qualifications and business practices of Scientific Investment Management LLC (“Scientific Investment Management”), a registered investment adviser. Registration does not imply a certain level of skill or training but only indicates that Scientific Investment Management has registered its business with state and federal regulatory authorities, including the United States Securities and Exchange Commission (“SEC”). If you have any questions about the content of this brochure please contact us at 617-237-6849 or by email contact@scientificinvestmentmanagement.com. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Scientific Investment Management is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Summary of Material Changes

No material changes have been made to this Brochure since Scientific Investment Management's initial form ADV dated November 19, 2019.

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.....	5
Item 5: Fees and Compensation	6
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.....	7
Item 9 Disciplinary Information.....	10
Item 10: Other Financial Industry Activities and Affiliations	10
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	10
Item 12: Brokerage Practices	11
Item 13: Review of Accounts	12
Item 14: Client Referrals and Other Compensation	13
Item 15: Custody.....	13
Item 16: Investment Discretion.....	14
Item 17: Voting Client Securities	15
Item 18: Financial Information.....	15
Form ADV Part 2B.....	17

Item 4: Advisory Business

GENERAL INFORMATION:

Scientific Investment Management is an SEC registered investment advisor organized as a limited liability company under Massachusetts law. The business address is 71 Commercial Street #360 Boston MA 02110. Scientific Investment Management was established on September 26th 2019 and is independently owned by its founder James Falvey.

Scientific Investment Management offers investment advisory services over the internet. This Brochure is meant to help you understand the nature of the advisory services offered by Scientific Investment Management and aid with determining whether the advisory services offered by Scientific Investment Management are right for you. You should review it carefully.

ADVISORY SERVICES:

Scientific Investment Management offers discretionary investment management services. Discretionary means Scientific Investment Management has the authority to select the timing, size, and identity of securities to buy and sell for Clients as well as enter into, amend or terminate contracts relating to the account. Clients do not have direct control over what specific investments Scientific Investment Management chooses.

Scientific Investment Management applies a systemized scientific approach to investing. Investment analysis and decisions involve strategy back testing and extensive historical research to understand the world, its economies, and markets. Through deep understanding and cutting edge technology, Scientific Investment Management seeks to better position clients for success in capital markets.

To provide its investment advisory services and tailor its investment decisions to each Client's specific needs, Scientific Investment Management collects information from each

Client, including specific information about their investing profile such as financial situation, investment experience, and investment objectives.

Before depositing funds in any investment account, potential clients should consider paying off high-interest debt. Potential clients should also consider the options that are available to them through workplace savings plans provided by their employers.

Item 5: Fees and Compensation

Scientific Investment Management is compensated for its advisory services by charging an annual fee of 1% on the Net Liquidation Value of a Client's Account. This compensation applies to all account types and is non-negotiable. Annual fees are deducted from Client Accounts on a monthly basis. In addition to advisory fees, Clients may also pay other fees, commissions, or expenses to third parties as well as to an affiliate of Scientific Investment Management. Such examples may include but are not limited to, issuers, brokers, mutual funds, hedge funds, ETF's, exchanges, regulators and custodians.

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

Scientific Investment management does not charge performance-based fees. Clients are only charged an annual advisory fee as disclosed in Item 5 above.

Item 7 Types of Clients

Scientific Investment Management offers advisory services to individuals, trusts, corporations and other legal entities.

Scientific Investment Management is an internet based investment adviser which means each Client must acknowledge their ability and willingness to conduct their relationship with Scientific Investment Management on an electronic basis. Under the terms of the Advisory Client Agreement and the Brokerage Agreement, each Client agrees to receive all Account information and Account documents (including this Brochure), and any updates

or changes to same, through their access to the Site and Scientific Investment Management's electronic communications. Unless noted otherwise on the Site or within this Brochure, Scientific Investment Management's investment advisory service, brokerage services, the Advisor Client Agreement and the Brokerage Agreement, and all documentation related to the advisory services are managed and signed electronically.

While Scientific Investment Management seeks to respond to Client deposits, Client changes in risk profiles, Client withdrawal requests, including without limitation requests in connection with terminations, and other reasonable Client requests in a timely and reasonable manner, Scientific Investment Management does not represent or guarantee that Scientific Investment Management will respond to any such Client actions or requests immediately or in accordance with a set time schedule.

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

Scientific Investment Management's methodology for investment decisions are backed by extensive analysis and historical research. By having a deep understanding of the world and the many cause effect relations that exist, Scientific Investment Management seeks to position investors to capitalize on such relationships.

To identify opportunities, Scientific Investment Management deploys advanced scientific, computational, and quantitative/statistical methods.

Scientific Investment Management 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 investing it is important to identify both investment opportunities but it is equally important to identify potential risks. The following are risks Scientific Investment Management has identified. Investors should consider such risks before investing:

Market Risk: Security prices may decrease due in response to direct and indirect events and market conditions, usually caused by factors independent of the specific attributes of the investment security.

Business Risk: This covers risks associated with specific industries or companies within an industry.

Inflation Risk: Rising inflation reduces the purchasing power of the underlying currency, which is the dollar for U.S. based investments.

Interest-rate Risk: Changes in interest rates may result in fluctuations in the prices of other investment vehicles. For example, when interest rates rise, fixed income securities prices fall.

Liquidity Risk: Liquidity is the ability to covert an investment into cash. Investment assets are usually more liquid when established markets exist to trade those securities. For instance, U.S. Treasury bills and most equity securities have highly developed markets, while tangible property such as real estate and precious stones are less liquid.

Currency Risk: Investments in non-U.S. based assets are subject to additional changes in valuation due to changes in currency exchange rates.

Financial Risk: Excessive use of credit (borrowing) to finance a business' operations increases the risk of profitability, because the company must cover its debt obligations in good and bad years.

Legislative and Tax Risk: Performance may directly or indirectly be affected by government legislation or regulation. Scientific Investment Management does not engage in tax planning, and in certain circumstances a Client may incur taxable income on investments without a cash distribution to pay the tax due.

Reinvestment Risk: This is the risk that future gains may be reinvested at less favorable (lower) rates of return than currently available.

Software Risk: Scientific Investment Management delivers its investment advisory services entirely through software. Consequently, Scientific Investment Management rigorously designs, develops and tests its and affiliates software extensively before putting such software into production with actual Client accounts and assets and periodically monitors the behaviors of such software after its deployment. Notwithstanding this rigorous design, development, testing and monitoring, it is possible that such software may not always perform exactly as intended or as disclosed on the Site, mobile app, or other Scientific Investment Management disclosure documents, especially in certain combinations of unusual circumstances. Scientific Investment Management continuously strives to monitor, detect and correct any software that does not perform as expected or as disclosed.

Force Sale/Margin Risk: Certain Clients and strategies may use margin. This means clients could potentially lose more than the funds deposited in their margin account. A decline in the value of securities that are purchased on margin may require Clients to provide additional funds to avoid the forced sale of those securities or other securities or assets in their margin account. Margin requirements are subject to change.

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

Item 9 Disciplinary Information

As of the date of this brochure, Scientific Investment Management has not been subject to any legal or disciplinary actions material to a client's or prospective client's evaluation of Scientific Investment Management's advisory business.

Item 10: Other Financial Industry Activities and Affiliations

Other industry affiliations include broker-dealers, investment companies, banks, accounting firms, insurance-related businesses, and real estate brokers or dealers. Accordingly, Scientific Investment Management and its management personnel have no other financial affiliations nor receive any compensation or referral fees from such firms, as part of our advisory practice.

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

Scientific Investment Management's paramount ethical, professional, and legal duty is to act at all times as a fiduciary to its Clients. This means that Scientific Investment Management puts the interests of its Clients ahead of its own, and carefully manages for any perceived or actual conflict of interest that may arise in relation to its advisory services. Scientific Investment Management has adopted a Code of Ethics, which is designed to ensure that we meet our fiduciary obligation to Clients, enhance our culture of compliance within the firm, and detect and prevent any violations of securities laws. Scientific Investment Management's Code of Ethics (the "Code") establishes standards of conduct for all Scientific Investment Management' "Employees" (as defined in the Code), including all officers, directors, employees, certain contractors and others, and is consistent with the code of ethics requirements of Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code includes general requirements that all Employees 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. Each new Scientific Investment Management Employee receives a copy of the Code when hired or engaged by Scientific Investment Management. Scientific Investment Management sends copies of any amendments to the Code to all Supervised Persons, who must acknowledge in writing having received the Code and the amendments. Annually or as otherwise required, each Supervised Person must confirm to Scientific Investment Management that he or she has complied with the Code during such preceding period. Scientific Investment Management's Employees may personally invest in securities recommended by Scientific Investment Management, specifically the ETFs recommended for each asset class and individual large and mid-capitalization stocks recommended for advanced forms of TLH. Transactions in ETFs have been pre-approved for trading by Scientific Investment Management based on the security's liquidity profile and structural characteristics. Scientific Investment Management's Employees may also buy or sell specific securities for their own accounts that are not purchased or sold for Clients. Scientific Investment Management monitors the securities transactions of all Employees to determine whether there have been any improper use of client trading information by Employees. It also requires all Employees to report any violations of the Code promptly to Scientific Investment Management. The complete Code of Ethics is available to any client or prospective Client upon request.

Item 12: Brokerage Practices

Scientific Investment Management establishes relationships with selected brokers to provide brokerage services to Scientific Investment Management clients. All brokerage commissions, expenses and/or fees charged by these selected brokers are exclusive and in addition to Scientific Investment Management fees. Factors which Scientific Investment Management considered in its selection of selected brokers and will consider in recommending any other broker-dealer include financial strength, reputation, execution, pricing, research, and services. The commissions and/or transaction fees charged by these selected brokers may be higher or lower than those charged by other

broker-dealers. The commissions paid by Scientific Investment Management's clients shall comply with Scientific Investment Management's duty to obtain "best execution." In seeking best execution, Scientific Investment Management may not only consider cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Therefore, while Scientific Investment Management will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions. Scientific Investment Management shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its Clients in light of its duty to obtain best execution.

Item 13: Review of Accounts

Scientific Investment Management provides all Clients with continuous access via the web where Clients can access their Account documents, such as account statements. Clients may also receive periodic e-mail communications describing portfolio performance, Account information, and product features. Scientific Investment Management will periodically rebalanced portfolios to maintain the intended risk level and asset allocations. Scientific Investment Management reviews each Client's Account when it is opened and using software, continuously monitors and periodically rebalances each Client's portfolio to seek and maintain a Client's targeted risk tolerance. Scientific Investment Management also conducts reviews when Clients make changes to their risk profiles. Scientific Investment Management may consider tax implications and the volatility associated with each of the chosen asset classes when deciding when and how to rebalance, however no assurance can be made by Scientific Investment Management that Clients will not incur capital gains, and in certain instances significant capital gains, when Client portfolios are rebalanced periodically. Scientific Investment Management assumes no responsibility to its Clients for any tax consequences of any transaction, including any capital gains that may result from the rebalancing of Client accounts. Scientific Investment Management requests each Client periodically review and update

personal profile information they previously provided at least on an annual basis. Emails/electronic notifications and confirmations may be sent to the Client.

Item 14: Client Referrals and Other Compensation

If a Client is introduced to Scientific Investment Management by either an unaffiliated or an affiliated solicitor, Scientific Investment Management may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Scientific Investment Management's investment management fee, and shall not result in any additional charge to the Client. If the Client is introduced to Scientific Investment Management by an unaffiliated solicitor, the solicitor shall provide the Client with a copy of Scientific Investment Management's written disclosure statement which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of Scientific Investment Management shall disclose the nature of his/her relationship to prospective Clients at the time of the solicitation and will provide all prospective Clients with a copy of Scientific Investment Management's written disclosure statement at the time of the solicitation

Item 15: Custody

As per section 12B (below), Scientific Investment Management will require that Clients utilize the brokerage and clearing services of selected financial institutions. Scientific Investment Management may only implement its investment management services after the member has arranged for and furnished Scientific Investment Management with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions shall include, but are not limited to, broker-dealers, custodians, trust companies, banks and other appropriate institutions (collectively referred to herein as "Financial Institutions").

Clients are advised as follows: 1. Clients may incur certain charges imposed by the Financial Institutions and other third parties: a. Such charges include; custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. b. For assets outside of any wrap fee programs, Clients may incur brokerage commissions and transaction fees. c. All such charges, fees and commissions are exclusive of and in addition to Scientific Investment Management's fee. 2. Scientific Investment Management's Client Agreement and/or the separate agreement with the Financial Institutions may authorize Scientific Investment Management through the Financial Institutions to debit the Client's account for the amount of Scientific Investment Management's fees and to directly remit those fees to Scientific Investment Management in accordance with applicable custody rules.

Item 16: Investment Discretion

As authorized in the Scientific Investment Management Client Agreement, Scientific Investment Management assumes discretionary authority over the client's assets placed with Scientific Investment Management. This is done via a limited power of attorney granting Scientific Investment Management the ability to initiate financial transactions and trades on behalf of its clients.

This means that the timing, size, and identity of securities to buy and sell on behalf of the Client Accounts is completely within Scientific Investment Management's discretionary authority, and while Scientific Investment Management seeks to respond to Client deposits, Client changes in risk profiles, Client withdrawal requests and other reasonable Client requests in a timely and reasonable manner, Scientific Investment Management does not represent or guarantee that Scientific Investment Management will respond to any such Client actions or requests immediately or in accordance with set time schedule. Further, Scientific Investment Management is not responsible to Client for any failures, delays and/or interruptions in the timely or proper execution of trades or

any other trading instructions placed by Scientific Investment Management on behalf of Client due to any reason or no reason, including without limitation any or all of the following, which are likely to happen from time to time: (A) any kind of interruption of the services provided by Scientific Investment Management or its clearing or executing broker-dealers or Scientific Investment Management's ability to communicate with broker-dealers (B) hardware or software malfunction, failure or unavailability; (C) system outages; (D) internet service failure or unavailability; (E) the actions of any governmental, judicial or regulatory body; and/or (F) force majeure

Item 17: Voting Client Securities

Custodians may impact Scientific Investment Managements ability or client's ability to vote proxies. If possible, Scientific Investment Management, as a matter of policy and as a fiduciary to our clients will take responsibility for voting proxies for portfolio securities consistent with the best economic interests of Clients. Scientific Investment Management maintains policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about Scientific Investment Management's proxy policies and practices. Our policy and practice can include the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as make information available to clients about the voting of proxies for their portfolio securities and maintain relevant and required records. Clients may request information regarding how Scientific Investment Management voted a Client's proxies, and Clients may request a copy of the firm's proxy policies and procedures by emailing contact@scientificinvestmentmanagement.com. Clients should not become or continue as a Client if they wish to vote such proxies.

Item 18: Financial Information

This Item is not applicable because Scientific Investment Management does not require or solicit the prepayment of any advisory fees and does not have any adverse financial

condition that is reasonably likely to impair our ability to continuously meet our contractual commitments to our Clients.

SUBJECT TO CHANGE

From time to time Scientific Investment Management may adjust its offerings and policies. In the event of such adjustments this brochure will be modified as needed and an updated copy will be made available to clients.

Form ADV Part 2B

CLIENT BROCHURE SUPPLEMENT



Scientific Investment Management

71 Commercial St #360

Boston, MA 02110

617-237-6849

www.scientificinvestmentmanagement.com

November 19, 2019

This Brochure Supplement provides information about certain Scientific Investment Management employees listed below that supplements the Scientific Investment Management Brochure you should have received above. Please contact Scientific Investment Management at 617-237-6849 or by emailing contact@scientificinvestmentmanagement.com if you did not receive Scientific Investment Management's Brochure or if you have any questions about the contents of this Brochure Supplement. Additional information about Scientific Investment Management's supervised persons is available on the SEC's website at www.adviserinfo.sec.gov.

Scientific Investment Management's discretionary investment advice is formulated by James Falvey. Scientific Investment Management has provided information below for James Falvey.

James Falvey

Founder CEO/CIO

Born 1993

Education

B.A. University of Massachusetts Amherst 2016, **3.921 GPA**

Business Experience

Scientific Investment Management LLC 2019 – Present

- Founder CEO/CIO

Scientific Investing/Capital Markets Research 2015-2019

- Independent Securities Researcher & Algorithm Programmer

State Street Corporation/Charles River Development 2016-2019

- Product Specialist

Bridgewater Associates 2015

- Process Analyst

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

None

Supervision

None