

Form ADV Part 2A Investment Advisor Brochure

Cover Page

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This Form ADV Part 2A (Investment Advisor Brochure) gives information about the investment advisor and its business for the use of clients and prospective clients. If you have any questions about the contents of this brochure, please contact us using one of the methods listed above. 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 is mandatory for all persons meeting the definition of investment advisor and does not imply a certain level of skill or training.

Additional information about our firm is available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

None

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Advisory Business

Brains Investments, LLC was established in 2018. Christopher Poillon is the founder and President and has been in the financial services industry since 1992.

Advisory Services

Brains Investments LLC provides management services called Brains World View, which provides users with a recommended portfolio based on their world view, interests, and lifestyle.

As of May 15, 2019, Brains Investments LLC has \$0 assets under management on a discretionary basis, and \$0 of assets under management on a non-discretionary basis.

Services are based on the individual needs of the client. An initial interview and data gathering questionnaire is undertaken to determine the client's financial situation and investment objectives, and to give the client the opportunity to impose reasonable restrictions on the management of the account. Clients have the ability to leave standing instructions with the IA Rep to refrain from investing in particular securities or types of securities, or invest in limited amounts of securities. Quarterly the IA Rep will notify the client in writing to contact the IA Rep if there have been any changes in the client's financial situation or investment objectives, or to impose or modify account restrictions. The IA Rep will contact or attempt to contact the client annually on these matters. It is the client's responsibility to notify the IA Rep at any time there are changes. Clients will receive from the custodian/brokerage firm timely confirmations and at least quarterly statements containing a description of all transactions and all account activity. The client will retain rights of ownership of all securities and funds in the account to the same extent as if the client held the securities and funds outside the program. In addition to custodial statements,

Brains Investments LLC sends quarterly reports to the client through their custodian.

Brains Investments LLC provides investment options consistent with the individual client's financial and tax status and risk/reward objectives. Planning may be comprehensive, or segmented and focus on investments, insurance, taxes, and/or estate plans.

Fees and Compensation

Fees for advisory services are at the monthly rate of \$3 per month up to account balances of \$5,000, and .25% of account balances above \$5,000. Advisory fees are charged monthly through our custodian.

These fees are for advisory services only and do not include any transaction fees or commissions, which may be charged separately by the broker/dealer custodial firm. See the section heading Brokerage Practices for more information.

The first payment is assessed and due at the end of the first calendar month and will be assessed pro rata in the event the Agreement is executed at any time other than the first day of the current calendar quarter. Subsequent payments are due and will be assessed on the first day after the end of each calendar month based on the value of the account assets under management as of the close of business on the last business day of that month.

Payment of fees may be paid direct by the client, or client may authorize the custodian holding client funds and securities to deduct Brains Investments LLC advisory fees direct from the client account in accordance with statements prepared and submitted to the custodian by Brains Investments LLC. The custodian will provide periodic account statements to the client. Such statements will reflect all fee withdrawals

by Brains Investments LLC. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

Fees are not negotiable.

Brains Investments LLC is deemed to be a Fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, Brains Investments LLC is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. Brains Investments LLC only charges asset management or financial planning fees for our services and does not receive any commissions, 12b-1 fees or other forms compensation.

Fees are not collected for services to be performed more than six months in advance.

In addition to fees paid for advisory services with respect to clients' investments in mutual funds, clients pay additional fees on the mutual fund investment because the mutual funds also pay advisory and/or management fees to an investment advisor.

Services will continue until either party terminates the Agreement on 30 business days written notice.

If termination occurs prior to the end of a calendar month, the client will be invoiced for fees due on a pro-rata basis.

If termination occurs prior to the end of a calendar month, a pro-rata refund of unearned fees will be made to the client.

For Financial Plans, the client may terminate the Agreement at any time and a refund of the unearned fees will be made based on time and effort expended before termination. The Agreement for Financial Plans or terminates upon delivery of the plan or services. At this time no refunds will be made.

The Advisory Agreement contains a pre-dispute arbitration clause. Client understands that the agreement to arbitrate does not constitute a waiver of the right to seek a judicial forum where such a waiver would be void under the federal securities laws. Arbitration is final and binding on the parties.

Types of Clients and Account Minimums

Brains Investments LLC provides advisory services to individuals, pension and profit-sharing plans and other ERISA accounts, trusts, estates, and business entities.

Generally, the minimum account size is \$100, subject to a minimum annual fee of \$36.

Methods of Analysis, Investment Strategies, and Risk of Loss

Analysis utilized includes charting, fundamental, technical, and cyclical.

Brains Investments LLC uses asset allocation strategies for portfolio management.

By its nature, financial planning looks to the long-term. While there is risk in all investments, some carry a greater degree of risk or higher costs. There is no guarantee that the investment strategy selected for the client will result in the client's goals being met, nor is there any guarantee of profit or protection from loss. For those investments sold by prospectus, clients should read the prospectus in full.

Brains Investments LLC is disclosing those risks and opportunities for our investment strategy or for particular types of securities used. Debt securities are subject to interest rate risk...

- There are tax consequences for short-term trading wherein capital gains are taxed as ordinary income.
- Our investment style is a diversified approach, with the goal of reducing risks by spreading investments across multiple short-medium risk securities. Nonetheless, if the market overall goes down due to a recession, depression, or market correction, customers' portfolios will decline in kind as Brains selects equity options across the Fortune 1000 list.

Disciplinary Information

An investment advisor must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of its management personnel. Brains Investments, LLC does not have any disclosure items.

Other Financial Industry Activities and Affiliations

Brains Investments LLC is not, but IA Reps of the firm are licensed as securities salespersons (“Registered Representatives”), and are in the business of selling securities. The sale of these products account for approximately 100% of time allocated.

IA Reps of Brains Investments LLC are associated with a custodian and clearing company as Registered Representatives, which is a general securities broker/dealer having membership in the Financial Industry Regulatory Authority.

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

Code of Ethics

Brains Investments LLC maintains a Code of Ethics. The Code of Ethics sets forth standards of conduct expected of advisory personnel; requires compliance with federal securities laws; and, addresses conflicts that arise from personal trading by advisory personnel. Clients may request a copy of the Code of Ethics.

Participation or Interest in Client Transactions

From time to time, some of the IA Reps/registered representatives may recommend to their clients, the purchase of limited partnerships or mutual funds that are sponsored by Brains Investments LLC affiliated companies. This would be when the recommendation is suitable for the client and meets their investment objectives. Clients are not obligated to purchase these funds.

Personal Trading

At times Brains Investments LLC and/or its IA Reps may take positions in the same securities as clients, and we will try to avoid conflicts with clients. The firm and its IA Reps will generally be “last in” and “last out” for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our clients. Scalping (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

Brokerage Practices

Brains Investments, LLC has selected a custodian/clearing company (broker/dealer) based on the discount rates and execution services available to the client. Clients may pay transaction fees to them for the purchase of "no-load" funds. The broker/dealer will provide the clients with consolidated statements.

Brains Investments LLC is not affiliated with the broker/dealer. IA Reps of our firm are not registered representatives of that firm and do not receive any commissions or fees from recommending these services.

Soft Dollar Practices

Brains Investments LLC may receive compensation from a brokerage firm in the form of research, products or services ("soft dollars"). When a firm uses client brokerage commissions to obtain soft dollars, the firm receives a benefit by not having to produce or pay for such items. A firm may have an incentive to select or recommend a broker/dealer based on soft dollars received, rather than best execution for the client.

Brains Investments LLC may receive soft dollar compensation from the brokerage firm for research services to include reports, software, and other material.

Additionally, Brains Investments LLC may receive soft dollar compensation from the brokerage firm for non-research services which might include workstations/quote machines, hardware/software for administrative back office account services, transaction accounting systems, tax accounting reports, performance evaluation systems.

Brains Investments LLC understands its duty for best execution and considers all factors in making recommendations to clients. These research services may be useful in servicing all Brains Investments LLC clients, and may not be used in connection with any particular account

that may have paid compensation to the firm providing such services. While Brains Investments LLC may not always obtain the lowest commission rate, Brains Investments LLC believes the rate is reasonable in relation to the value of the brokerage and research services provided.

Client Referrals from Brokers

Brains Investments LLC will generally maintain an existing broker/dealer relationship when the client is referred to Brains Investments LLC. In maintaining the existing broker/dealer relationship, a conflict of interest may exist in obtaining best execution by Brains Investments LLC on behalf of the client. A conflict of interest may exist in obtaining future referrals from a broker/dealer if Brains Investments LLC did not maintain these existing relationships. Where the client is not referred by an existing broker/dealer, Brains Investments LLC recommends a broker/dealer with competitive commission rates.

Trade Aggregation

While individual client advice is provided each account, client trades may be executed as a block trade. The Advisor encourages its existing and new clients to use the Advisor's "lead custodian." Only accounts in the custody of the lead custodian would have the opportunity to participate in aggregated securities transactions. All trades using the lead custodian will be aggregated and done in the name of the Advisor. The executing broker will be informed that the trades are for the account of the Advisor's clients and not for the Advisor itself. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on average, reduce slightly the costs of execution, and the Advisor will not aggregate a client's order if in a particular instance the Advisor believes that aggregation would cause the client's cost of execution to be increased. The Custodian will be notified of the amount of each trade for each account. The Advisor and/or its IA Reps

may participate in block trades with clients and may also participate on a pro rata basis for partial fills, but only if clients receive fair and equitable treatment.

Review of Accounts and Reports on Accounts

Brains Investments LLC monitors the individual investments regularly. Portfolio performance is reviewed on a quarterly basis at a minimum.

Our equity groupings are reviewed at a minimum of once per quarter. Market conditions that might cause a wide variance in the specified asset allocation, or other factors could cause a more frequent review.

Customers portfolios and holdings are a snapshot in time and no ongoing reviews are conducted. We recommend clients engage in our Brains model, Discussion Board, and Library regularly.

Reports

All clients receive standard account statements from investment sponsors and brokerage firms, and clients receive a written quarterly performance report from Brains Investments LLC's broker/dealer.

Client Referrals & Other Compensation

Referral Fees Paid

Brains Investments LLC may compensate for client referrals. All solicitor's agreements are in compliance with the Investment Advisers Act of 1940. In addition, all applicable federal and state laws will also be observed. All clients procured by solicitors will be given full written disclosures describing the terms and fee arrangements between the advisor and the solicitor prior to or at the time of entering into the advisory agreement.

Referral Fees Received

Brains Investments LLC may exercise agreements with other Registered Investment Advisors and recommend other Advisors to clients. In such instances, Brains Investments LLC may receive a portion of the account fee or commissions. In these instances, we will make available to the client a "Compensation Disclosure Statement" and the Form ADV for the other Advisor. The client is under no obligation to use the services of the other Advisor(s) recommended.

In instances of a "wrap fee" program, clients will receive a Wrap Fee Brochure (Form ADV Part 2A Appendix 1) disclosures. The regulatory filing of the brochure is prepared by the outside money manager.

Custody

Although client assets are held at a third-party independent custodian, Brains Investments LLC is deemed to have custody of client funds because of the fee deduction authority granted by the client in the investment advisory agreement. Except for this fee deduction, we do not have authority to withdraw funds out of client accounts.

If/when a client grants Brains Investments LLC the limited power in a Standing Letter of Authorization (“SLOA”) to the account custodian to disburse funds to a third party, we would be deemed to have custody. Under such circumstances, our firm will follow regulatory guidance in documenting this procedure.

Inadvertent custody may occur if/when the custodial agreement signed by the client may grant our firm broader access to client funds or securities than our own agreement with the client contemplates. Under such circumstances, our firm will follow regulatory guidance in documenting this procedure.

Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. Client is urged to compare custodial account statements against statements prepared by Brains Investments LLC for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

Investment Discretion

Brains Investments LLC does not have discretion over any client accounts. A limited power of attorney, limited to the power of executing trades on a non-discretionary basis will be obtained from clients.

Brains Investments LLC will not have authority to withdraw funds or to take custody of client funds or securities, other than under the terms of the Fee Payment Authorization clause in the Agreement with the client.

Brains Investments LLC does have the ability to discount brokerage commissions.

Voting Client Securities

Brains Investments LLC does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

Financial Information

An investment advisor must provide financial information if a threshold of fee prepayments is met; there is a financial condition likely to impair the ability to meet contractual commitments; or, a bankruptcy within the past ten years. Brains Investments, LLC does not have any disclosure items in this section.