

## **Pefin Advisors, LLC**

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**This brochure provides information about the qualifications and business practices of Pefin, LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority. Please note, where this brochure may use the terms “registered investment adviser” and/or “registered”, registration itself does not imply a certain level of skill or training. Additional information about Pefin, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2: Material Changes**

The purpose of this Item 2 is to disclose material changes that have been made to this Brochure since the last annual update of this Brochure. This is the initial Brochure dated November 2015.

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## **Item 4: ADVISORY BUSINESS**

### **A. General Description of Advisory Firm**

Pefin Advisors, LLC (“Pefin”) is a limited liability company that was founded in 2015. Pefin Advisors, LLC is a wholly owned subsidiary of Pefin, Inc. Ramya Joseph, is the CEO of Pefin, Inc. and CCO of Pefin Advisors, LLC. She and Pefin Holdings LLC are the primary common shareholders of Pefin, Inc. Currently, Pefin Advisors, LLC. offers the following web based automated investment and financial advisory services:

1. AI Financial Planning services which provides financial planning advice using AI Algorithms, connected to personal, market and financial data, and integrated calculators that provide a comprehensive view of the clients finances (e.g. retirement planning, home purchase, college funding, etc.),

Pefin’s AI algorithms provides financial planning, and investment advisory services to mostly individuals (the “Clients”) based on the Client’s financial profile including but not limited to, existing individual portfolio investments, income, liquid net worth, net worth, risk profile, time horizon and future financial plans and needs. Its interactive platform is powered by proprietary AI algorithms developed by Pefin. These algorithms, enables the clients to model their future life plans, and determine a savings and investment strategy that matches both their desired risk profile as well as the future life plans.

Pefin's AI Financial Plan Advisor is made available to Clients through its website at [www.Pefin.com](http://www.Pefin.com). Pefin's web-based platform is powering the AI Financial Plan Advisor and hosting Client data via its affiliate Pefin Technologies, LLC.

#### **B. Tailoring of Advisory Services and Client Imposed Restrictions**

Pefin offers only online Financial Planning Advice at this time. Clients have the option to utilize the recommendations provided by the service at their own discretion.

#### **C. Wrap Fee Programs**

Pefin does not offer a wrap fee program.

#### **D. Assets Under Management**

Pefin is a startup investment adviser and as of November 1, 2015 does not have assets under management.

<b>Item 5: FEES AND COMPENSATION</b>
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#### **A. Fees and Compensation**

##### **Pefin's AI Financial Plan Advisor**

Pefin Inc. charges a subscription based fee for use of its online AI Financial Planner. The subscription price is \$12 per month but users may receive a discount for a period of time, and or free months of service which shall be at the discretion and terms of Pefin. These fees are not negotiable. These subscription charges apply to the whole calendar month. The AI Financial Planner subscription is charged monthly as of the first of the month. When a client signs up mid-month, they are charged as of the first of the next month (e.g. I sign up May 5th, my first charge is on June 1).

When a client cancels mid-month, their subscription is terminated as of the end of the month and no further payments are charged (e.g. I cancel May 5th I have access to the platform until May 31 and no further charges will be made).

#### **B. Fee Deduction**

Subscription fees are paid through Pefin's web-based platform. Pefin's AI Planner fees are paid monthly in advance and deducted via monthly or quarterly billing via credit card.

#### **C. Other Fees and Expenses**

There are no other fees and expenses in connection with Pefin's services. Clients may incur other charges by their own custodian or broker such as account fees and transaction charges and other expenses.

#### **D. Prepaid Investment Advisory Fees**

Clients may cancel their AI Financial Planner subscription at any time. The AI Financial Planner subscription is prepaid for the month of use. No partial monthly refunds apply to this fee, and cancellations are effective as of the end of the month that the cancellation was requested.

#### **E. Compensation for the Sale of Securities or other Investment Products**

Pefin does not receive compensation for the sale of securities or other investment products.

<b>Item 6: PERFORMANCE- BASED FEES AND SIDE-BY-SIDE MANAGMENT</b>
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Not applicable to Pefin. Pefin does not charge performance-based fees.

<b>Item 7: TYPES OF CLIENTS</b>
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Pefin's clients are generally individual investors and high net worth individuals who are seeking to generate a financial plan without the assistance of a human financial advisor guiding them.

Prospective users of Pefin's AI Financial Planning advice need to register an account and are required to provide Pefin with:

- Identifying Information (e.g., email and password);
- Information regarding all your financial accounts, like bank statements, credit cards, so Pefin's AI Financial Planner can aggregate this information via a third party PFM aggregator (selected as Intuit, Inc.)
- Information regarding the Client's investment portfolio (either by providing Pefin with account credentials so that Pefin can directly obtain Client account holdings or by inputting the account information manually);
- An agreement to Pefin's Terms of Service; and Non-Disclosure Agreement.
- An acknowledgement and agreement to Pefin's Privacy Policy.

<b>Item 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS</b>
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Pefin does not currently provide investment advice for investment portfolios.

<b>Item 9: DISCIPLINARY INFORMATION</b>
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There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of Pefin's management.

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

### **A. No Broker Dealer Affiliations**

Neither Pefin, nor any of its management persons are registered, or have an application pending to register as a broker dealer or a registered representative of a broker dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither Pefin nor its representatives are registered as a FCM, CPO, or CTA.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither Pefin nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

### **D. Selection of Other Advisors**

Pefin does not recommend or select other investment advisers.

## **Item 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **A. Pefin's Code of Ethics**

Pefin has adopted a Code of Ethics (the "Code") which is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"). The Code applies to Pefin's "Access Persons." Access Persons include, generally, any partner, officer or director of Pefin and any employee or other supervised person of Pefin who, in relation to the Clients, (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations or has access to such recommendations that are non-public.

The Code sets forth a standard of business conduct that takes into account Pefin's status as a fiduciary and requires Access Persons to place the interests of the Clients above their own interests. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of Pefin's Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code on at least an annual basis and any time material amendments are made.

As required by Rule 204A-1 of the Advisers Act, Pefin's Access Persons must provide Pefin's Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. Pefin also requires its Access Persons to report their securities transactions on a quarterly basis thereafter and disclose their securities holdings on an annual basis. Pefin restricts the personal trading of its Access Persons as reflected in the Code of Ethics.

The Code also includes insider trading policies and procedures that are designed to prevent the improper use of material, non-public information. Such insider trading policies and procedures prohibit Pefin and its personnel from trading for their personal account, or recommend trading in, any securities while in possession of material, non-public information about such security, and from disclosing such information to any person not entitled to receive it.

Clients or prospective Clients may obtain a copy of Pefin's Code by contacting the Chief Compliance Officer at [cco@pefin.com](mailto:cco@pefin.com)

#### **B. Securities Recommendations**

Pefin does not recommend securities.

#### **C. Securities Transactions of Pefin and its Related Persons**

As stated above, Pefin does not buy Securities for its own account so no conflict exists at the firm level, as Pefin does not recommend securities.

Pefin's Code also maintains policies and procedures to prevent insider trading that are designed to prevent the misuse of material, non-public information. Pefin personnel are required to certify their compliance with the Code.

#### **D. Recommending Securities to Clients**

Pefin does not recommend securities to clients.

### **Item 12: BROKERAGE PRACTICES**

Pefin does not recommend securities or investments or brokerage accounts to its clients.

### **Item 13: REVIEW OF ACCOUNTS**

Pefin's AI Financial Planning Advisor Service continuously reviews accounts for those Clients that use the service on at least a monthly basis using its automated algorithms.

Pefin account summaries are available to all Pefin clients whenever they login to the Pefin web-site. The system provides Clients information regarding the Client's portfolio, including portfolio performance, asset allocation, and key statistics, among other information.

<b>Item 14: CLIENT REFERRALS AND OTHER COMPENSATION</b>
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Pefin does not directly or indirectly compensate any person who is not a supervised person for client referrals to its AI Financial Advisor.

To the extent Pefin does enter into any such arrangements for its AI Investment Advisor service, as applicable, all such compensation will be fully disclosed to each Client consistent with applicable law and to the extent necessary will be conducted in accordance with SEC Rule 206 (4)-3 under the Advisers Act, as well as relevant guidance.

<b>Item 15: CUSTODY</b>
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Pefin does not have custody of client funds or securities.

<b>Item 16: INVESTMENT DISCRETION</b>
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Pefin does not recommend securities or manage investment accounts.

<b>Item 17: VOTING CLIENT SECURITIES</b>
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Pefin does not vote proxies on behalf of the Clients. Pefin does not have the authority to vote Client securities.

<b>Item 18: FINANCIAL INFORMATION</b>
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Pursuant to Rule 206(4)-4 of the Investment Advisers Act of 1940, investment advisers are required to disclose certain information about their business practices that might serve as material to the client's decision in choosing an investment adviser. As of the date of this filing, the firm does not require the prepayment of fees of more than \$1,200 six months or more in advance, or maintain any financial hardships or other conditions that might impair its ability to meet its contractual obligations to clients. The firm has not been the subject of a bankruptcy petition at any time.