

Toumi (Cayman) Limited

Form ADV Part 2A Brochure---March 24, 2020

Item 1 Cover Page

This Brochure provides information about the qualifications and business practices of Toumi (Cayman) Limited (“Toumi”). If you have any questions about the contents of this Brochure, please contact us at 19/F, Tower A, Winterless Center, Chaoyang District, Beijing, China, or by calling (860) 108-8500.

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. Additional information about Toumi is also available on the SEC’s website at www.adviserinfo.sec.gov.

The oral and written communications of an investment adviser provide you with information which may be used to determine whether to hire or retain an investment adviser. Recipients of this Brochure should be aware that registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser’s skill or expertise. Further, registration with the SEC does not imply or guarantee that a registered adviser has achieved or its employees possess a certain level of skill, competency, sophistication, expertise or training in providing advisory services to its clients.

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Item 2 Material Changes

This is Toumi's annual updating amendment for Form ADV for the fiscal year ending December 31, 2019. Since the last annual amendment, dated March 27, 2019, Toumi has had no material changes.

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Item 4 Advisory Business

Toumi (Cayman) Limited (“Toumi”) was established in Cayman Islands in 2017. Toumi is one of the CreditEase group companies (“CreditEase”), a leading FinTech group company in China, which is principally owned by Mr. Ning Tang, and specializes in small business and consumer lending, as well as wealth management for high net worth and mass affluent investors.

Please refer to Schedule A of Toumi’s Form ADV Part 1A for additional information regarding its direct owners.

Founded in 2006, CreditEase has pioneered two key businesses in China: Inclusive Finance and Wealth Management. Both businesses have their origins in its peer-to-peer lending platform in which CreditEase is the standard-setting pioneer and market leader. As a leading professional loan advisory service provider in China, CreditEase Inclusive helps millions of micro- and small entrepreneurs and hundreds of millions of economically active farmers gain access to credit facilities. CreditEase Wealth Management is the independent wealth management arm of CreditEase and is focused on providing a comprehensive platform to preserve and grow the wealth of its more than 100,000 high net worth individuals and mass affluent clients in China.

CreditEase also provides customers with diverse lending and wealth management advisory services via the internet and mobile applications. Building vast sets of “big data” capturing, managing, querying and utilizing the data to construct a world class, open financial cloud platform, it now provides customers with customized products and asset allocation services. CreditEase believes that this not only reduces risks and improves the safety of funds and flow efficiency, but also provides users with flexible and targeted integrated financial solutions.

CreditEase formed Toumi Technology Development (Beijing) Co. Ltd. in 2014 which provides professional wealth management services to middle class Chinese investors who are not able to get these services from traditional private bank or wealth management firms given their limited investment capital. Toumi was formed to offer these professional wealth management services to investors in the U.S., including those whom have emigrated from China. Toumi is able to offer its services to all investors at a much lower cost and by a much more efficient approach than most traditional private bank or wealth management firms by utilizing mobile technology and a quantitative investment algorithm.

As a “robo-adviser” Toumi provides global asset allocation wealth management services through the application of internet technology and machine algorithm. Toumi’s asset allocation service is based on the modern portfolio theory, combined with the investors’ risk tolerance and return target, to provide customized and personalized global asset allocation service.

Toumi’s services are only offered online through an interactive computer program run on an internet browser, the “Toumi App.” Clients will enter into a client advisory agreement with Toumi through the Toumi App. As part of the client agreement, clients agree to accept electronic delivery of contracts, disclosure documents, prospectuses, statements and other materials. Regular and continuous internet access is required to engage Toumi and to access all service related documents. Unless noted otherwise on the Toumi App, the signature for the client advisory agreement, and all documentation related to the advisory services

are managed electronically. Throughout the terms of the agreement, clients, who wish to do so, may speak with a representative through call centers, email and online communication soft-ware.

Toumi currently offers nine model portfolios invested in ETFs with underlying investments in various asset classes. Each model portfolio reflects a different risk profile ranging from the most aggressive portfolios to the most conservative portfolios. In the future, Toumi may offer additional portfolios and products within the portfolios, such as index funds, mutual funds and money market funds. An optimized asset allocation across different regions and different asset classes will deliver a portfolio best designed to meet the client's needs, and allows access, through these investment vehicles, to a diverse array of underlying assets (shares, bonds, real assets, real estate, etc.) that it would be difficult for individual clients to invest in directly. Toumi's advice is tailored to the individual needs of each of its clients, subject to certain product features and account limitations that prospective clients should consider, as described further below.

Stage 1: Determining Investment Goals and the Appropriate Model Portfolio Allocation

Toumi will evaluate the client's financial situation and investment goals as the first task in determining the appropriate model portfolio allocation. As part of the Toumi App's online account opening process, an investment questionnaire is used to consider each client's specific situation including client's age, income, equity, investment time horizon, the risk appetite of the client (including tolerance for capital loss), level of understanding and investment sophistication, and a range of other factors. Toumi's algorithm conducts a detailed quantitative financial analysis of this information to determine the client's risk profile.

Toumi maintains the investment questionnaire information in strict confidence subject to its Privacy Policy, which is provided on Toumi's website and the Toumi App. Toumi relies upon the information received from a client to formulate its investment advice and determine the client's model portfolio allocation. Although Toumi contacts its clients periodically as described further in Item 13 below, a client must promptly notify Toumi of any change in his or her financial situation or investment objectives that might require a review or revision of their portfolio allocation.

Stage 2: Achieving the Suitable Portfolio Design

Toumi will recommend one of nine model portfolios to the client based on the client's risk profile, ranging from aggressive growth to conservative. Clients are free to accept a Toumi recommended model portfolio or choose another Toumi model portfolio based on their own preferences or risk tolerance. Toumi will manage the client's account according to the model portfolio a client selects, whether or not it is the model portfolio recommended by Toumi.

Stage 3: Engaging Toumi's Discretionary Advisory Services

Clients who chose to invest with Toumi must open a brokerage account with DriveWealth, LLC ("DriveWealth") through the Toumi App and provide Toumi with discretionary trading authority over their DriveWealth accounts. Clients who already have a DriveWealth brokerage account can link their account to their Toumi App. Clients can fully redeem their investments and close their accounts through our Toumi App or by contacting Toumi's

customer service at toumi@CREDITEASE.CN or calling 86-400-078-9900 or DriveWealth's customer service at support@drivewealth.com or by calling 1.973.559.6750 or 86-400-120-3072.

DriveWealth is not affiliated with Toumi and is a broker-dealer registered with the SEC and a member of the Financial Industry Regulatory Authority ("FINRA"). DriveWealth will maintain all client accounts and execute all securities transactions in client accounts. In the future the Toumi may permit clients to use additional brokers through the Toumi App.

Once the client instructs Toumi to invest in a model portfolio, Toumi portfolio managers on Toumi's portfolio management team will deploy an asset allocation strategy and make investment decisions for the account to align with the selected investment and risk profile over time.

Clients are entitled to impose reasonable restrictions on the management of their accounts. Any proposed restriction is subject to the review and approval of Toumi. A restriction request may result in delays in the management of an account, and if an account cannot be managed with the requested investment restriction, the client requesting the restriction will be notified. Such a restriction may include prohibitions with respect to the purchase of a particular fund or funds, provided such restriction is not inconsistent with Toumi's stated investment strategy or philosophy, and is not fundamentally inconsistent with the nature or operation of the service. If a restriction is accepted, assets will be invested in a manner that is appropriate given the restriction. Accounts with imposed management restrictions may experience different performance from accounts without restrictions, possibly producing lower overall results. Account restrictions should be requested by contacting Toumi through the Toumi App. Restrictions will be reevaluated on an as-needed basis, including but not limited to as a result of changes in the underlying funds or models, which may result in the denial of the restriction that was previously accepted. If a client makes any changes to his or her investment and risk profile at any time that his or her account has a restriction in place and would like that restriction to continue to remain in place following the change in profile, the client must make a new request to Toumi through the Toumi App.

Stage 4: Reassessing Portfolio Weightings

Once a client's assets are invested in a portfolio, Toumi will periodically conduct reviews of each client portfolio. The frequency of rebalancing will be determined by the client's risk profile and sensitivity to market movements and volatility. See Item 13 below for additional information regarding Toumi's review of client accounts. Toumi will contact clients electronically via email on a quarterly and annual basis to remind them to update through the Toumi App any changes to their account information and risk profile and also to determine if the client wishes to impose or modify any reasonable restrictions on the management of the account.

Generally, Toumi will rebalance individual accounts as necessary to reflect any changed circumstances reported by clients and based on a variety of other factors, including market conditions, deposits and withdrawals, tax impact and dividend rates. Portfolio rebalancing of this sort may take place at any time as long as the balance in the account is appropriate to do so. In general, Toumi anticipates that rebalancings will occur periodically throughout the year, but the frequency of rebalancings for individual accounts may vary significantly based

on market conditions, deposits and withdrawals, dividend rates and a variety of other factors; individual accounts may experience more or less rebalancing depending on the situation. In general, the investments selected through the asset allocation will seek to replicate the exposure of the stated investment strategy and generally will not seek to increase potential returns by overweighting or underweighting any asset class. Toumi reserves the right to change the asset allocation and Funds utilized by Toumi at any time, which may result in a taxable gain for taxable accounts.

If, based on the information a client provides, Toumi determines that an account requires modification to its asset allocation, or if the client directs a change to his or her investment and risk profile, Toumi will generally make such changes as soon as reasonably possible, even if such changes may trigger additional trading or, in the case of taxable accounts, tax consequences.

At any time, a client may terminate an account, or withdraw all or part of an account, or update his or her investment profile, which may initiate an adjustment in the account's holdings. In that case, unless otherwise directed by the client, Toumi will sell the securities in the account (or portion of the account, in the case of a partial withdrawal or update) at market prices at the time of the termination, withdrawal or update.

Toumi does not participate in wrap fee programs.

As of December 31, 2019, Toumi has regulatory assets under management of approximately \$12,559,926 in non-discretionary assets.

Item 5 Fees and Compensation

Advisory Fees

Toumi charges an annual advisory fee for each client that varies based on each client's total assets under management ("AUM") with Toumi as follows:

<u>Client AUM</u>	<u>Annualized Fee (Percentage of AUM)</u>
\$0 to \$4,999	.75%
\$5,000 or more	.50%

Toumi may charge performance-based fees in the future. In the event that a client terminates its relationship with Toumi, and such client had been charged a fee paid in advance, Toumi will return the unused portion of the fee pro rata to such client.

Billing

Toumi advisory fees will be deducted from client accounts on a quarterly basis in arrears, unless otherwise directed by a client and agreed to by Toumi. If insufficient funds exist in an account to pay these fees when due, then Toumi may select securities to liquidate to cover the fee. Adverse tax consequences may arise as a result of liquidation of assets in taxable accounts.

Fee Changes and Negotiations

All fees will be subject to change. Toumi will send clients a prior electronic notice of any changes to the advisory fee schedule—including the change to start charging fees. Clients will have the ability to object to any changes to the fee schedule by contacting Toumi through the Toumi App within thirty (30) calendar days from the date of the notification. If a client does not otherwise notify Toumi through the Toumi App of an objection within such time, then the client will be deemed to have approved of such fee changes. In rare circumstances, Toumi may agree to negotiate the amount of the advisory fee for certain accounts. Toumi may elect to waive, rebate or discount the advisory fee, in whole or in part, at its sole discretion, for its employees (and select contractors) and in connection with promotional efforts and other programs. This may result in certain clients paying less than the standard advisory fee.

Mutual Fund, ETF and Money Market Fund Expenses

Underlying index fund, mutual fund, ETF and money market fund expenses still apply to the investments in each client's account. These are the standard expenses that all mutual fund, ETF and money market fund shareholders bear. Details of index fund, mutual fund, ETF and money market fund expenses can be found in each index fund's, mutual fund's, ETF's and money market fund's respective prospectus. Toumi's advisory fee does not include these expenses, which are charged at the individual fund level for any funds in an account. Fund expenses are not separately itemized or billed; rather, the published returns of index funds, mutual funds, ETFs and money market funds are shown net of their expenses.

General Account Expenses

Each client will generally be responsible for all expenses incurred in connection with the transactions effected, or positions held on behalf of their account pursuant to its client advisory agreement with Toumi. Such expenses include, without limitation, custodial fees, legal, accounting, administration, bank service fees, brokerage commissions, clearing and settlement fees, interest and withholding or transfer taxes incurred in connection with trading for the account, and Toumi's fees, if any, as described above. Please refer to Item 12, Brokerage Practices, for more information.

Neither Toumi nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

As stated in Item 5 above, currently Toumi does not charge performance-based fees. Toumi does not engage in side-by-side management

Item 7 Types of Clients

Toumi provides investment advisory services to individuals. The minimum investment for a new client to engage Toumi is \$500, which may be lowered for certain clients at the sole

discretion of Toumi.

Toumi reserves the right to terminate an account (or limit rights to access any or all account features, products, or services) for any reason, including if an account balance falls below a certain amount or if Toumi believes its services are no longer appropriate for the account.

In addition, Toumi reserves the right to terminate an account if the client is unable to be contacted for an extended period of time or if the client decides to opt out of electronic delivery of account related communications. Toumi reserves the right to terminate, modify, or make exceptions to these policies.

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

Investment Strategies and Methods of Analysis

As a “robo-adviser” Toumi provides global asset allocation wealth management services through the application of internet technology and machine algorithm. Toumi’s asset allocation service is based on the modern portfolio theory and quantitative models, combined with the investors’ risk tolerance, return target, and willingness to take risk, to provide customized and personalized global asset allocation service. Once the client’s risk, return and other characteristics have been ascertained, an asset allocation and target portfolio will be determined, and their capital will be allocated to a model portfolio invested in pre-selected index funds, mutual funds, ETFs and money market funds with underlying investments in various asset classes. Toumi currently offers nine model portfolios, each reflecting a different risk profile ranging from the most aggressive portfolios to the most conservative portfolios.

Toumi uses a quantitative method of security analysis by sourcing data from its proprietary database as well as from Bloomberg and publicly available information. In constructing the model portfolios, Toumi undertakes a due diligence process which involves a thorough analysis of each of the potential products by its asset class specialists. The analysis encompasses, amongst other things, an evaluation of the managers and portfolio characteristics, market and sector risk exposures and past risk adjusted returns. It is anticipated that Toumi will also leverage the platforms of other product providers (under an “external asset manager” model) such as those offered by UBS, Credit Suisse or Julius Baer, to be able to offer the broadest range of products on their respective platforms to its own client base. This arrangement will not abrogate Toumi’s own responsibility to independently perform its own due diligence on each and every product it offers to its clients.

Toumi will select fund houses and product issuers by using the following guidelines:

1. Toumi will first review the following aspects of the fund houses and product issuers by referring to their offering documents (e.g. prospectuses, offering circulars and marketing materials):
 - structure and how the funds work;
 - nature of the underlying investment;

- level of risk the funds bear;
 - the experience of each fund's manager(s) and service provider(s);
 - fees and charges;
 - relative performance and liquidity of the funds;
 - lock-in periods;
 - termination conditions;
 - redemption process;
 - valuation and unit pricing; and
 - safe custody arrangements.
2. Depending on the nature of the external asset manager funds, Toumi will consider other factors, including market and industry risks, global economic and political environments, regulatory restrictions and any other factors which may directly or indirectly impact on risk return profiles and growth prospects of investments.
 3. Toumi will exercise independent judgment to make enquiries and obtain full explanations from fund houses and product issuers about the risks inherent in the products.
 4. Toumi will also document verification work and enquiries which it has made about the funds/products, the criteria for selecting the funds/products and in what aspects they are considered suitable for different risk categories of investors, and the approvals they obtain from senior management for promoting the funds/products.

Material Investment Risks

Toumi 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.**

Investing in a variety of securities involves a broad spectrum of risk, including varying degrees of investment, market, credit, interest rate, and regulatory risks. Potential risk factors related to investing in Toumi's strategies are included below. There is no guarantee that Toumi will be able to control these risks or that the risks will not aggregate in a manner adverse to Toumi's clients. The risks factors below are not intended to be exhaustive.

As previously discussed, Toumi offers nine model portfolios to satisfy a wide variety of investment and risk profiles, ranging from the most aggressive portfolios to the most conservative portfolios. In general, all the portfolios managed by Toumi are subject to the list of investment risks discussed below. However, investment strategies with higher concentrations of equity tend to have greater exposure to the risks associated with equity investments, such as stock market volatility and foreign exposure. On the other hand, investment strategies that have higher exposure to fixed income will tend to have greater exposure to the risks associated with bond investments, such as credit risk and bond investment risk and changes in interest rates. All strategies are ultimately affected by impacts to the individual underlying investments made by funds held in the accounts, such as changes in an issuer's profitability and credit quality, or changes in tax, regulatory, market or economic developments.

Risk of Loss. All investment strategies related to Toumi involve risk of loss; even the conservative investment and risk profile will fluctuate in value over time and a client may lose money. Clients should be prepared to bear such losses in connection with investments in Toumi. Investments are not a deposit in a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Clients may lose money by investing in index funds, mutual funds, ETFs and money market funds. The strategies presented above pose risks, and many factors affect each investment's or account's performance. Nearly all investments are subject to volatility in non-U.S. markets, through either direct exposure or indirect effects in U.S. markets from events abroad. Additionally, investments that pursue debt exposure are subject to risks of prepayment or default, and funds that pursue strategies that concentrate in particular industries or are otherwise subject to particular segments of the market (e.g., money market funds' exposure to the financial services industry, municipal funds' exposure to the municipal bond market, or international or emerging markets funds' exposure to a particular country or region) may be significantly impacted by events affecting those industries or markets. Additionally, investments may be subject to operational risks, which can include risks of loss arising from failures in internal processes, people, or systems, such as routine processing errors or major systems failures, or from external events, such as exchange outages.

Asset Allocation and Diversification. The performance of Toumi accounts is dependent on the allocation of assets among various asset classes and the selection of underlying funds. There is a risk that Toumi's decisions regarding asset allocation and the selection of underlying funds will cause an account's performance to lag relevant benchmarks or will result in losses. While allocations to multiple asset classes can reduce risk, risk cannot be completely eliminated with diversification. Asset allocation and diversification do not guarantee a profit or protect against loss.

Cybersecurity Risk. With the increased use of technologies such as the Internet to conduct business, Toumi is susceptible to operational, information security, and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and may arise from external or internal sources. Cyber attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information; corrupting data, equipment or systems; or causing operational disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting Toumi or its affiliates, or any other service providers (including, but not limited to, accountants, custodians, transfer agents, and financial intermediaries used by a fund or an account) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the ability to calculate net asset value, impediments to trading, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which an account invests, counterparties with which an account engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers), and other parties.

Underlying Funds. Client accounts bear all the risks of the investment strategies employed by the funds held in their account, including the risk that a fund will not meet its investment objectives. For the specific risks associated with a fund, please see its prospectus. Additionally, these funds have their own fees (including management fees) and expenses and may have separate incentive or performance fees or allocations. Accordingly, the client will bear the fees and expenses of the funds in addition to Toumi's advisory fees. Also, U.S. funds generally must distribute all gains to investors, including investors who may not have an economic gain from investing in the fund, which can lead to negative tax effects on investors, particularly non-U.S. persons.

ETFs. An ETF is an investment company that issues securities that trade on an exchange or other public market. They hold portfolios of common stocks, bonds or other instruments, which are designed to generally correspond to the price and yield performance of an underlying index, commodity, or a basket of assets like an index fund. Some ETFs are actively managed and do not seek to track a certain index or basket of assets. However, ETFs used by Toumi generally will be passive investment vehicles that seek to replicate the performance of relevant market indices. A primary risk factor relating to ETFs is that the general level of stock or bond prices may decline, thus affecting the value of an equity or fixed income ETF, respectively. An ETF may also be adversely affected by the performance of the specific sector or group of industries on which it is based. Moreover, although ETFs are designed to provide investment results that generally correspond to the price and yield performance of their underlying indices, ETFs may not be able to replicate exactly the performance of the indices because of various sources of tracking error, including their expenses and a number of other factors, such as differences in the weighting of the underlying indices and the ETFs. ETFs may trade at a premium or discount to their net asset value ("NAV") and may also be affected by the market fluctuations of their underlying investments. They may also have unique risks depending on their structure and underlying investments.

Money Market Funds. Cash balances in an account will be held in a money market fund. An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. It is possible for a money market fund to lose money.

International Investing. Investing outside the United States may involve greater risks than investing in the United States. These risks include: (i) less publicly available information; (ii) varying levels of governmental regulation and supervision; and (iii) the difficulty of enforcing legal rights in a non-U.S. jurisdiction and uncertainties as to the status, interpretation and application of laws. Moreover, non-U.S. companies are generally not subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to United States companies.

Non-U.S. markets may also have different clearance and settlement procedures, and in certain markets there have been times when settlements have failed to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Delays in settlement could result in periods when assets of the strategies are uninvested and no return is earned thereon. The inability of the strategies to make intended security purchases due to settlement problems or the risk of intermediary counterparty failures could cause the strategies to miss investment opportunities. The inability to dispose of a security due to

settlement problems could result in (i) losses to the strategies due to subsequent declines in the value of such security or (ii) possible liability to the purchaser if the strategies have entered into a contract to sell the security. Transaction costs of buying and selling non-U.S. securities, including brokerage, tax and custody costs, may be higher than those involved in U.S. transactions. Furthermore, many non-U.S. financial markets, while generally growing in volume, have, for the most part, substantially less volume than U.S. markets, and securities of many non-U.S. companies are historically less liquid and their prices historically more volatile than securities of comparable U.S. companies. The economies of individual non-U.S. countries may also differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, volatility of currency exchange rates, depreciation, capital reinvestment, interest rates, resources self-sufficiency and balance of payments position.

Equity Investments. Investments in equity securities generally involve a high degree of risk. Stock prices are volatile and change daily, and market movements are difficult to predict. Movements in stock prices and markets may result from a variety of factors, including those affecting individual companies, sectors or industries. Such movements may be temporary or last for extended periods. The price of an individual stock may fall or fail to appreciate, even in a rising stock market. A client could lose money due to a sudden or gradual decline in a stock's price or due to an overall decline in the stock markets generally.

In particular, "growth" stocks can have relatively high valuations, which, among other things, may result in the prices of growth stocks being more sensitive to changes in current or expected earnings than prices of other stocks. Accordingly, investing in growth stocks can be more risky than investing in a company with more modest growth expectations.

Bond Investments. In general, the bond market is volatile, and fixed-income securities carry interest rate risk. As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term bonds. The ability of an issuer of a bond to repay principal prior to a security's maturity can cause greater price volatility if interest rates change, and, if a bond is prepaid, a bond fund may have to invest the proceeds in securities with lower yields. Fixed-income securities also carry inflation risk and credit and default risks for both issuers and counterparties. Unlike individual bonds, most bond funds do not have a maturity date, so holding them until maturity to avoid losses caused by price volatility is not possible. In addition, investments in certain bond structures may be less liquid than other investments, and therefore may be more difficult to trade effectively.

Credit Risk. Changes in the financial condition of an issuer or counterparty, and changes in specific economic or political conditions that affect a particular type of security or issuer, can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's credit quality or value. Lower-quality debt securities and certain types of other securities involve greater risk of default or price changes due to changes in the credit quality of the issuer.

Derivatives. Certain funds selected by Toumi may contain derivatives, such as swaps and exchange-traded futures. Generally speaking, a derivative is a financial contract whose value is based on the value of a reference asset. Investments in derivatives may subject these funds to risks different from, and possibly greater than, those of the underlying securities, assets, or market indexes. Derivatives may involve leverage because they can provide

investment exposure in an amount exceeding the initial investment. As a result, the use of derivatives may cause these funds to be more volatile, because leverage tends to exaggerate the effect of any increase or decrease in the value of a fund's portfolio securities.

Fraud. In making certain investments, Toumi may rely upon the accuracy and completeness of representations made by the issuer of such investment, but it cannot guarantee the accuracy or completeness of such representations. The issuer of an investment may make a material misrepresentation or omission with respect to the issuer of the investment. Such inaccuracy or incompleteness may adversely affect the strategies or the valuation of any investment. Instances of fraud and other deceptive practices committed by senior management of certain companies in which the strategies may invest may undermine the ability of Toumi to conduct effective due diligence on, or successfully exit investments made in, such companies. In addition, financial fraud may contribute to overall market volatility, which can negatively impact the strategies' investment programs. Under certain circumstances, payments to the strategies may be reclaimed if they are later determined to have been made with an intent to defraud creditors or make a preferential payment.

Potential Inability to Trade or Report Due to Systems Failure or Impairment. Toumi's strategies are highly dependent on the proper functioning of its internal and external computer systems, data centers and connectivity. Accordingly, failures of or impairments to such systems, data centers or connectivity, whether due to third-party failures or factors upon which such systems are dependent or the failure or impairment of Toumi's or a service provider's hardware or software, could disrupt trading or make trading impossible until such failure or impairment is adequately remedied. Any such failure or impairment, and consequential inability to trade (even for a short time), could, in certain market conditions, cause the strategies to experience significant trading losses or to miss opportunities for profitable trading. Any such failures or impairments also could cause a temporary delay in processing investor activity or reports to investors. The strategies may trade on electronic trading and order routing systems, which differ from traditional open outcry trading and manual order routing methods. Transactions using an electronic system are subject to the rules and regulations of the exchanges offering the system or listing the instrument. Characteristics of electronic trading and order routing systems vary widely among the different electronic systems with respect to order matching procedures, opening and closing procedures and prices, trade error policies, and trading limitations or requirements. There are also differences regarding qualifications for access, grounds for termination and limitations on the types of orders that may be entered into the system. Each of these matters may present different risks with respect to trading on or using a particular system. Each system may also present risks related to system access, varying response times and security. In the case of internet-based systems, there may be additional risks related to service providers and the receipt and monitoring of electronic mail. Trading through an electronic trading or order routing system is also subject to risks associated with system or component failure or impairment. Any such failure or impairment, and consequential inability to trade or process investor activity (even for a short time), could, in certain market conditions, cause the strategies to experience significant trading losses, cause the strategies to miss opportunities for profitable trading and/or adversely affect the strategies.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in any or all of the strategies. Prospective clients should read this entire Form ADV and all accompanying materials

provided by Toumi. In addition, as the strategies develop and change over time, investments may be subject to additional and different risk factors. Toumi will promptly amend this Brochure if and when any information regarding its investment risks and strategies becomes materially inaccurate.

Item 9 Disciplinary Information

There are no legal or disciplinary events that are material to an evaluation of Toumi's advisory services or the integrity of management.

Item 10 Other Financial Industry Activities and Affiliations

- A. Toumi is not registered, and does not have an application pending to register in the United States, as a broker-dealer. Currently, none of Toumi's employees are registered representatives of a U.S. broker-dealer.
- B. Neither Toumi nor any of its management persons is registered, or has an application pending to register, in the United States as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. Material Relationships

As described in Item 4 of this Brochure and Item 7.A of Form ADV Part 1A, Toumi is one of the CreditEase group companies principally owned by Mr. Ning Tang. Mr. Tang, and other executive officers and senior management of Toumi are also engaged in providing services to the CreditEase group affiliates. These activities may include serving on investment committees, providing research or opinions to affiliates of Toumi and structuring and/or marketing various investment products offered by our affiliates. Such investment products will not be offered by Toumi. From time to time Toumi may outsource certain back office services to the CreditEase group affiliates.

Toumi does not receive any compensation for the recommendation of other investment advisers to its clients.

Toumi is not affiliated with DriveWealth. However, Toumi's relationship with DriveWealth is material to its business in that clients who chose to invest with Toumi must open a brokerage account with DriveWealth through the Toumi App. In the future the Toumi App may have the capability to permit clients to use additional brokers through the Toumi App.

Toumi does not receive compensation from or pay compensation to DriveWealth for recommending clients.

- D. CreditEase Wealth Management (USA) Limited is registered as an investment adviser registered with the SEC.

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

Toumi has adopted a written Code of Ethics (the “Code”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act. The Code sets forth a standard of business conduct and compliance with federal securities laws by all of Toumi’s employees. The Code contains policies and procedures that ensure that all personal securities trading by employees of Toumi is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual’s position of trust and responsibility. Toumi prohibits personal trading in certain securities or instruments, requires pre-clearance of purchases of an IPO or a new private placement; requires periodic reporting of employees’ personal securities transactions and holdings, and requires prompt internal reporting of Code violations. As part of its Code, Toumi has established procedures to prevent the abuse of material, non-public information.

A copy of the Toumi’s Code of Ethics is available to clients and prospective clients upon written request to: Cindy Yu, Chief Compliance Officer, Toumi (Cayman) Limited, 500 7th Avenue, 8th Floor, New York, New York 10018.

Toumi employees and persons associated with Toumi are required to follow its Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Toumi and its affiliates may trade for their own accounts in securities which are traded for Toumi clients. The Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of the employees of Toumi will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions based upon a determination that these would not interfere materially with the best interest of our clients. In addition, the Code requires pre-clearance of certain transactions. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to prevent conflicts of interest between Toumi and its clients.

Item 12 Brokerage Practices

A. Selecting or Recommending Broker-Dealers

Best Execution. In order to open an advisory account, clients must establish a brokerage relationship with DriveWealth. DriveWealth will maintain client accounts and will charge commissions and other fees applicable to the broker-customer relationship.

Toumi will normally use DriveWealth to execute all securities transactions in client accounts. DriveWealth has procedures designed to seek the best execution of client transaction, although there can be no assurance that this will be obtained. Therefore, a client may not always obtain as favorable a price or execution as might have been available through another broker-dealer.

In determining the broker or dealer to be used, Toumi has considered the following, in addition to the commission rate or spread:

- the broker-dealer's reputation;
- the utility and reliability of brokerage services;
- execution capability and performance of the broker-dealer;
- the broker-dealer's readiness to purchase or sell securities for clients, including maintenance of inventory by the broker-dealer and/or willingness of the broker-dealer to take a long or short position to facilitate a customer transaction;
- financial condition of the broker-dealer;
- investment information provided by the broker-dealer;
- market insights provided by the broker-dealer; and
- access to analysts and management made available by the broker-dealer.

Toumi has complete discretion in selecting the brokers that it uses for client transactions and reserves the right to use broker-dealers other than DriveWealth to execute transactions for client accounts. However, the accounts will remain customers of DriveWealth. Toumi's overriding objective in arranging portfolio transactions is to seek best execution of clients' securities transactions.

In the future the Toumi may permit clients to establish accounts with broker-dealers other than DriveWealth through the Toumi App.

1. Research and Other Soft Dollar Benefits

Toumi may purchase from a broker or allow a broker to pay for certain investment research and brokerage services. Although it does not currently utilize soft dollars, it reserves the right to do so, as discussed above under *Best Execution*. In that event will do so solely to pay for products or services that qualify as "research and brokerage services" within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended.

Toumi's relationship with any broker that provides soft dollar services may influence Toumi's judgment and create conflicts of interest in allocating brokerage business between firms that provide soft dollar services and firms that do not. Toumi would have an incentive to select or recommend a broker based on Toumi's interest in receiving soft dollar services rather than clients' interest in receiving the most favorable execution. These conflicts of interest are particularly influential to the extent that Toumi uses soft dollars to pay expenses it would otherwise be required to pay itself. If Toumi uses soft dollars, it will use the soft dollar benefits to service

all of its clients' accounts and not only those that paid for the benefits. Toumi will not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

Toumi will address any such conflicts of interest by annually evaluating the trade execution services that Toumi receives from the brokers that it uses to execute trades for clients. Such evaluation will include comparing those services to the services available from other brokers. Toumi will consider, among other things, alternative market makers and market centers, the quality of execution services, the value of continuing with various soft dollar services and adding or removing brokers, increasing or decreasing targets for each broker and the appropriate level of commission rates.

2. *Brokerage for Client Referrals*

Toumi does not direct brokerage to any brokers in return for the broker's referral of prospective clients. Directing brokerage in exchange for client referrals creates a conflict of interest in that Toumi has an incentive to refer its clients' brokerage business to brokers to which it might not otherwise direct transactions based on its interest in receiving client referrals, rather than on its clients' interest in receiving most favorable execution. Toumi has policies and procedures to review its brokerage practices regularly, including its use of brokers from which Toumi receives client introductions.

3. *Directed Brokerage*

DriveWealth provides Toumi with technology and related systems support that allows Toumi to better monitor client accounts maintained at DriveWealth. DriveWealth does not charge for these services because Toumi renders investment advisory services to clients that maintain accounts at DriveWealth. DriveWealth also provides Toumi with monetary support for Toumi's brand awareness programs. The technology and related systems support and brand awareness support are not provided for the direction of securities transactions in client accounts to DriveWealth.

B. *Aggregation of Orders*

Not applicable.

Item 13 Review of Accounts

Review of Accounts

Toumi monitors its nine model portfolios on a continuous and ongoing basis to determine the suitability and appropriateness of holdings and transactions in each portfolio in light of its corresponding investment and risk profile. Toumi also monitors client accounts to determine the suitability and appropriateness of the allocation of account assets to one of the nine portfolios in light of the client's investment and risk profile and to confirm the client's account

is aligned with the model portfolio. Such reviews are generally conducted through Toumi's quantitative investment algorithm under the supervision of Toumi's Chief Investment Officer. On a quarterly basis, Toumi contacts each client to remind them to review and update the profile information they previously provided. Toumi also requests that clients reconfirm the same information on an annual basis. These notifications and confirmations include a link to the client's current information and contact information for Toumi representatives. Clients should promptly update their profile information on the Toumi App any time the information they have previously provided to Toumi has materially changed in order to ensure that their investment and risk profile remains appropriate for their individual circumstances.

Market conditions or an upturn or downturn in a particular investment may cause a "drift" away from the appropriate risk level associated with an account and trigger a review. Toumi may choose to rebalance an account to bring it back in line with an appropriate risk level and asset allocation. Toumi may also modify the investments held in an account to accommodate new investment allocations and fund closures or modifications.

Reports

Toumi provides all clients with continuous access via the Toumi App to real-time reporting information about account status, securities positions and balances. Clients will also receive periodic e-mail communications describing portfolio performance, account information, and product features.

Item 14 Client Referrals and Other Compensation

- A. Toumi does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the clients.
- B. Toumi engages solicitors whom it pays for client referrals. Toumi discloses this practice in writing to its clients and complies with the requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended, to the extent required by applicable law.

Item 15 Custody

Clients will be provided with transaction confirmation notices and account statements at least quarterly directly from the custodian of their assets and clients should carefully review those statements. Clients may also access account reports and other transaction data directly through the Toumi App. Clients are advised to compare the account statements that they receive from their custodian with any of those accessed from the Toumi App to confirm the accuracy of the information contained. Should discrepancies or errors be found, clients should contact Toumi or the custodian directly.

Item 16 Investment Discretion

Toumi requires each client to complete a client advisory agreement engaging Toumi as an investment adviser for his or her account. Under the terms of the client agreement, Toumi assumes full discretionary trading and investment authority over the client's assets and will manage each account based on each client's selected investment and risk profile. As noted in more detail in Item 4 above, a client may impose reasonable restrictions on his or her account, subject to acceptance by Toumi.

Item 17 Voting Client Securities

Toumi does not acquire voting rights or exercise proxy voting for clients. Clients will be sent proxy materials directly from the index funds, mutual funds, ETFs and money market funds in their accounts or their service providers. Any proxy voting must be directly exercised by each client. Toumi will not advise clients on the voting of proxies, nor will it advise or act for any client in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held in client accounts.

Item 18 Financial Information

This Item is not applicable because Toumi:

- does not require or solicit prepayment of more than \$1,200, six months or more in advance;
- does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients; and
- has not been the subject of a bankruptcy petition at any time during the past ten years.