



Form ADV
Part 2A: Disclosure
Brochure
March 10, 2020

Dependable Alternative Investments, LLC

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This Brochure provides information about the qualifications and business practices of Dependable Alternative Investments, LLC, CRD #300332, with DBA of DAI Advisors. If you have any questions about the contents of this Brochure, please contact us at +1 510-709-7543 or via email at contact@daiadvisors.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. DAI Advisors is a Registered Investment Adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information that you may use to determine whether to hire or retain them. Additional information about DAI Advisors is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 1 – Cover Page

Item 2 – Material Changes

Since our last filing on March 10, 2020, we have made no material changes to our ADV Part 2A or Part 2B.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year, which is December 31st. We will provide other ongoing disclosure information about material changes as necessary. We will also provide you with a new Brochure, as necessary, based on changes or new information. Currently, our Brochure may be requested at any time, without charge, by contacting us at contact@daiadvisors.com or +1 (510) 709-7543.

Additional information about DAI Advisors is also available via the SEC's website www.adviserinfo.sec.gov. You can search this site by using a unique identifying number, known as a CRD number. The CRD number for DAI Advisors is 300332. The SEC's web site also provides information about any persons affiliated with DAI Advisors who are registered, or are required to be registered, as Investment Adviser Representatives of DAI Advisors.

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Item 4 – Advisory Services

Dependable Alternative Investments, LLC (“DAI Advisors,” “we,” “our,” or “us”) is a privately owned Registered Investment Adviser (“Adviser”) which offers a selection of diversified, risk-managed investment strategies, primarily composed of private alternative investments, to clients through our website, www.daiadvisors.com (the “website”).

As of February 28, 2020, DAI Advisors has a total of 30 clients in 12 US states and two foreign countries, with an asset under management (AUM) of \$19,689,217.

DAI Advisors began operations in January 2019. The principal owner is Guangming George Dai, PhD, CAIA®, our Chief Executive Officer (“CEO”), Chief Investment Officer (“CIO”) and Chief Compliance Officer (“CCO”). Additional information about our ownership structure and directors is provided in Schedule A of Part 1A in DAI Advisors’s Form ADV.

We provide investment advice through Guangming George Dai, PhD, CAIA®, our sole Investment Adviser Representative (“Advisor”). This individual is appropriately licensed, qualified and authorized to provide advisory services on our behalf.

We are committed to the precept that by placing the client’s interests first, we will add value to the asset management process and earn the client’s trust and respect. We value long-term relationships with our clients whom we regard as strategic partners in our business.

1. Services

We provide various asset and portfolio management services, with an emphasis on providing individuals, families and trusts with diversified, low-cost, low-turnover, tax aware, actively managed investment strategies designed to match your investment objectives and tolerance for investment risk. We use a client services model that is primarily delivered over the Internet. Our focus is on helping you develop and execute an investment portfolio that is designed to build and preserve your wealth.

We do not participate in any wrap fee programs.

We manage client accounts on a discretionary basis or nondiscretionary basis, which means the client decides whether to give us the authority to determine the following with/without your consent:

- Securities to be bought or sold for your account
- Amount of securities to be bought or sold for your account
- Independent, qualified Custodian to be used for a purchase or sale of securities for your account
- Commission rates to be paid to the Custodian for your securities transaction

While you may decide to grant us trading discretion on your account (i.e., placing trades in your account without your approval), trading activity is generally limited to help minimize your trading costs. Trading may be required to meet initial allocation targets, after changes we occasionally make to those allocation targets due to changes in asset class valuations, after substantial cash deposits, and/or after a request for a withdrawal that requires reduction or liquidation of a position. Additionally, differences in asset class returns may require your account to be rebalanced periodically to reestablish the targeted percentages of your desired asset allocation. You will be responsible for any and all tax consequences resulting from any rebalancing or reallocation of the account. We are not tax professionals and do not give tax advice. You

will need to consult with your own tax advisor(s) to assist you with tax planning. You will have the opportunity to utilize our and our Custodian's online tools and resources to review the assets in your account and better understand how we employ our expertise and investment philosophy to help you achieve your investment goals.

2. Asset Management

Asset management is the professional management of securities (stocks, bonds and other alternative investments) and assets (e.g., commodities and real estate) in order to meet your specified investment goals. With a DAI Advisors Account, you engage us to assist you in choosing the appropriate DAI Advisors strategy that best suits your investment objectives and goals and your tolerance for investment risk. The investments in your investment account(s) may include ETFs, exchange-traded notes ("ETNs"), mutual funds, stocks, options, private equity, and other alternative investments, such as real estate partnership interests. At the most recent filing, there are no assets under management by this advisory firm.

a. Portfolio Management

As part of the asset management and portfolio construction process, we provide you an initial financial analysis via a thorough, detailed in-person discussion in order to understand your investment objectives and goals and your tolerance for investment risk and volatility.

In performing our analysis, we typically examine your overall financial situation, which may include such information as your age, income, investment goals, taxes and your current investment program. We may ask you to provide statements summarizing current investments, income and other earnings and any other pertinent information. It is essential that you provide the information we request; but we do not verify any information obtained from you. Based on the information you share with us, we will analyze your situation and recommend an appropriate investment strategy for your situation. You will be provided with a targeted strategic allocation of assets by class. Our ongoing management is based upon your investment goals, objectives, risk tolerance and the DAI Advisors investment strategy you have selected. We will monitor your account, trade as necessary and communicate regularly with you. Your circumstances will be monitored in account reviews that occur annually or more frequently should your circumstances change. It is your responsibility to advise DAI Advisors of any changes in your circumstances or investment goals. These reviews will be conducted by phone calls or in-person discussions. We will work with you on an ongoing basis to evaluate your choice of investment strategy as well as rebalance your portfolio to keep it in line with your chosen investment strategy. You will also receive our Advisory Agreement which describes what services you will receive and what fees you will be charged.

We will help you open a custodial account(s) with Charles Schwab & Co, Inc. The funds in your account(s) will be held in a separate account(s), in your name, at an independent Custodian. We recommend that you use Charles Schwab & Co, Inc., a Member FINRA/SIPC/NFA, as your Custodian. You will enter into a separate custodial agreement with the Custodian. This agreement, among other things, authorizes the Custodian to take instructions from us regarding all investment decisions for your account(s).

We will select which securities and their amounts to be bought and sold, within the parameters of the your objectives and investment risk tolerance. The Custodian will effect transactions, deliver securities, make payments and do what we instruct. You are notified of any purchases or sales through trade confirmations and monthly statements that are provided by the Custodian. These statements list the total value at the start of the month, itemize all transaction activity during the month, and list the types, amounts, and total

value of securities held as of the end of the month. Your statement may be in either printed or electronic form based upon your preference. You will at all times maintain full and complete ownership rights to all assets held in your account, including the right to withdraw securities or cash, proxy voting and receiving transaction confirmations.

Additionally, we will:

- Monitor and track assets under management
- Provide quarterly portfolio statements which detail periodic rate of returns and asset allocations
- Provide frequent commentary about our investment positions with a particular focus on areas in which we deviate from our strategies' benchmarks
- Provide personal online consultations as necessary upon your request or as needed

We do not allow clients to place unreasonable restrictions upon the types of securities we purchase. We reserve the right, at our sole discretion, to close your account if unreasonable or overly restrictive conditions are requested.

Under certain conditions, securities from outside accounts may be transferred into your advisory account; however, we may recommend that you sell any security if we believe that it is not suitable for the current recommended investment strategy. You are responsible for any taxable events in these instances. Certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is not indicative of future results.

b. Alternative Investments

The Adviser provides investment advisory that includes real estate partnership interest investment, in particular in direct investment with Sponsors and in crowd funding real estate investments. Because of the different business cycles between the stock market and the real estate market, investment into real estate provides a good hedge to investments in stocks and bonds, thus increasing the risk-adjusted return.

In general, the Adviser is carefully selecting the real estate categories (diversified, office, industrial, multifamily, retail, among others) that may be used to reduce the correlation with the broader market. In addition, for equities projects that rely on leverage to increase the yield, loan to value (LTV) would be strictly controlled and monitored.

Focus is given to the following types of real estate properties:

- hard money loan (HML) funds with no or very low fund-level leverage are given priorities to qualified accounts, with no leverage or little leverage to serve two purposes: (1) to prevent UBTI issues and (2) to reduce the risk
- multifamily single properties or funds are given priorities to clients with high cash flow demand when cap-rates are not compressed
- senior housing, student housing, self-storage, medical office, mobile home parks, which are considered to be recession-resistant properties, are given priorities during the later stage of an economic cycle
- new development projects, in particular industrial properties, are given priorities during the recession phase

In addition, the Adviser is also focused in other areas of alternative investments, such as private equity, hedge fund, and distressed debt. In particular, the Adviser is focused in funds with little or negative correlations with the broader markets.

The Adviser also provides advisory services to clients for other alternative investments, which may include but not limited to, commodities, digital assets, venture debts, legal debts, marijuana funds, journey funds, angel investing, late stage VC, agriculture, tail risk funds, etc. In general, these alternative investments are considered to be extremely risky, and should only be considered to be a small percentage (under 5%) of the entire account portfolio. And it also should fit the client's risk tolerance and investment objective profile.

3. Fiduciary Services

The Adviser provides advisory services, which include providing retirement Plan Sponsors or other plan fiduciaries ("Plan Sponsors") investment advisory and management services by assisting plans in establishing and/or maintaining a consistent and ongoing documented process of prudent oversight and due diligence. The Adviser provides services to clients that sponsor a retirement plan that is qualified under the Internal Revenue Code of 1986, as amended (the "IRC") and/or subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). Services may include benchmarking, plan design strategies, analysis, fiduciary consulting and oversight, plan level investment advice and investment fund selection and monitoring services, and some employee education services.

The Adviser does not act as, and has not agreed to assume the duties of, a Plan trustee or the "Plan Administrator," as defined under section 3(16) of ERISA nor as trustee as described by SEC Rule 206(4)-2. The Adviser has no discretion to interpret the Plan documents, to determine eligibility or participation under the Plan, to provide participant disclosures or communications, to ensure contributions are timely received by the Plan or to exercise any other action with respect to the management, administration or any other aspect of the Plan.

The Adviser's services are offered to assist plan fiduciaries as they carry out their investment related responsibilities and these services should not substitute for or diminish the careful deliberation and determination of plan fiduciaries, after appropriate consultation with their other professional advisers and the review of relevant plan documentation. At the most recent filing, there are no assets under fiduciary services by this advisory firm.

a. Discretionary 3(38) Fiduciary Services

When a client engages the Adviser to perform "3(38) Fiduciary Services", the Adviser acts as an "investment manager" (as defined in Section 3(38) of ERISA) with respect to the performance of discretionary fiduciary investment services. Under this arrangement, the Adviser is appointed by the Plan Sponsor or trustee and accepts discretion over plan assets and assumes full responsibility and liability for fiduciary functions concerning decisions related to the plan assets.

Under this arrangement, the Adviser will review the investment options available to the Plan through documents provided by the Plan Sponsor and notifies the Plan's record-keeper and/or the Plan Sponsor the Adviser's instructions to add, remove and/or replace these specific investment options offered to Plan participants and/or used for administrative purposes under the Plan, according to the criteria set forth in guidelines selected by the Plan Sponsor. The Plan Sponsor retains all authority, responsibility and decision-making for investment options not available on the Plan record-keeper's platform (i.e., "non-core" investment options, such as employer stock, plan loans, self-directed brokerage accounts, frozen

guaranteed investment contracts, and life insurance).

The Adviser will retain final decision-making authority with respect to removing and/or replacing investments in the core lineup. The Plan Sponsor will not have responsibility to communicate instructions to any third-party, custodian and/or third-party administrator.

The data used to determine the investment options is based on estimated, forward-looking performance of various asset classes and subclasses to create our forward looking capital markets assumptions (e.g., expected return, expected standard deviation, correlation, etc.). Past performance and the return estimates of the asset classes and the indexes that correspond to these asset classes may not be representative of actual future performance. Actual results could differ, based on various factors including the expenses associated with the management of the portfolio, the portfolio's securities versus the securities comprising the various indexes and general market conditions. Before a specific investment is selected, other factors such as economic trends, which may influence the choice of investments and risk tolerance, should be considered. The Adviser has the responsibility and authority to determine the investment line up including evaluating investment managers, fund management companies, ETFs, ETNs, individual mutual funds, and money market funds which may be retained or replaced.

The Adviser will also monitor the current managed investment line up including the investment's performance compared to an applicable benchmark. If the Adviser determines that a fund no longer meets the criteria, they will select alternatives and replace them.

b. ERISA Fiduciary

DAI Advisors understands and attests that it is an ERISA fiduciary as defined in the Fiduciary Rule under the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986. DAI Advisors adheres to the Impartial Conduct Standards (including the "best interest" standard, reasonable compensation and no misrepresented information), as a condition for relying upon the Best Interest Contract Exemption and the Class Exemption for Principal Transactions in Certain Assets Between Investment Advice Fiduciaries and Employee Benefit Plans and IRA during the transition period from June 9, 2017, through January 1, 2018. This relates to all ERISA accounts including Individual Retirement Accounts ("IRAs").

We provide you with continuous access, via our website and mobile apps, and via the Custodian's website, to real-time information about your account status, securities positions and balances. You will also receive periodic electronic communications describing portfolio performance, investment strategies, account information and product features.

We obtain information from a wide variety of publicly available sources. We do not have any inside private information about any investments that we recommend. All recommendations developed by us are based upon our professional judgment. We cannot guarantee the results of any of our recommendations. Choosing the investment strategy in which to invest is entirely your decision.

We are available during normal business hours either by telephone, fax, or email to answer your questions.

Item 5 – Fees and Compensation

We provide asset management services for a fee. Our fees do not include brokerage commissions,

transaction fees, and other related costs and expenses. You may incur certain charges imposed by Custodians, third party investment companies and other third parties. These include fees charged by managers, custodial fees, 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.

Mutual funds, money market funds, ETFs and ETNs also charge internal management fees, which are disclosed in the fund's prospectus. These fees may include, but are not limited to, a management fee, upfront sales charges and other fund expenses. We do not receive any compensation from these fees. All of these fees are in addition to the management fee you pay us. You should review all fees charged to fully understand the total amount of fees you will pay. Services similar to those offered by us may be available elsewhere for more or less than the amounts we charge; lower fees for comparable services may be available from other sources.

You could invest in ETFs, ETNs, mutual funds and/or other securities directly, without our services. In that case, you would not receive the services provided by us which are designed, among other things, to assist you in determining which funds and securities are most appropriate for your financial condition and objectives.

For alternative investments, you may be charged by origination fees, acquisition fees, asset management fees, development fees, placement fees, loan fees, personal guarantee fees, construction fees, disposition fees, and other miscellaneous fees. These fees are disclosed in the private placement memorandum (PPM) and should be carefully researched by the client.

Our Advisory Agreement defines what fees are charged and their frequency. We usually bill fees in arrears on a quarterly basis. You will authorize the Custodian to directly debit fees from your taxable account held at the Custodian and to pay us. If you only maintain tax-advantaged account(s) with us, you will have the option to pay your fee from an outside account or alternative payment method. Management fees are prorated for each contribution and withdrawal made after the applicable quarter (with the exception of small inconsequential contributions and withdrawals). You will be provided with a quarterly statement reflecting the advisory fees.

Either party may terminate this agreement at any time by providing thirty (30) days written notice to the other party. You will incur charges for advisory or consulting services rendered up to the point of termination and such fees will be due and payable by you immediately upon being billed. Accounts opened or terminated during a calendar month will be charged a prorated fee.

1. Asset Management Fee Schedule

We provide three client classes of service. Class F (stands for full service) clients will receive full service similar to a traditional advisory service described above. Class O (stands for optimized) clients will receive computerized, optimized portfolio management service, which is currently reserved. Class I (stands for independent) clients will receive access service to those funds that require an RIA for investment. Class I clients will not receive the traditional advisory services and the clients will invest in a non-discretionary basis at all time.

Our minimum balance is \$500,000 per client, which includes an aggregate of all of the client's investment accounts, for Class I clients. There is no minimum balance for Class I clients. For Class F clients, the fee charged is based upon the amount of money you invest with DAI Advisors. Multiple accounts of immediately related family members, at the same mailing address, will be considered one consolidated account for billing purposes. The total fee will be billed to one selected Client account unless arranged

otherwise between us. For Class I clients, the fees will only be charged on the balance of the funds that require an RIA to invest. Fees are charged quarterly, in arrears. Payments are due and will be assessed on the last day of each quarter, based on the average daily balance of the account under management for the preceding quarter and will be calculated as follows:

Client Class	Funds Requiring RIA	Other Investments
Class F	0.50%	0.50%
Class O	0.25%	0.25%
Class I	0.10%	0.00%

The fees shown above are annual fees. You will be billed one fourth of this amount on a quarterly basis. For example, for a \$100,000 investment, you will pay \$125 per quarter for a Class F client; but it will be \$25 per quarter if the investment requires an RIA or free if it does not require an RIA, for Class I client. No increase in the annual fee shall be effective without prior written notification to you. We believe our advisory fee is reasonably low considering the fees charged by other investment advisers offering similar services/programs.

In certain circumstances, advisory fees and account minimums may be negotiable based upon prior relationships as well as related account holdings. A flat fee may also be negotiated as long as it does not exceed the fee schedule above. If a flat fee is negotiated, that fee will be listed in the Asset Management Fee Agreement and Disclosure Statement. Our fees will not be based upon a share of capital gains or capital appreciation of the funds or any portion of your funds. We do not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance.

DAI Advisors investment strategies may involve investment in mutual funds. Load and no load mutual funds may pay annual distribution charges, sometimes referred to as “12(b)(1) fees”. These 12(b)(1) fees come from fund assets, and thus indirectly from clients’ assets. We do not receive any compensation from these fees. The 12(b)(1) fee, deferred sales charges and other fee arrangements will be disclosed upon your request and are typically described in the applicable fund’s prospectus.

Your account at the Custodian may also be charged for certain additional assets managed for you by us but not held by the Custodian (i.e. variable annuities, mutual funds, 401(k)s, alternative investments). However, we do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the same of mutual funds.

The fees we charge will be deducted directly from your account at the Custodian. We will instruct the Custodian to deduct the fees from your account at the end of the calendar quarter. This fee will show up as a deduction on your following month's account statement from the Custodian.

2. Fiduciary Services

The standard fee schedules for the Discretionary 3(38) Fiduciary Services program (the “Program”) are as follows:

Client Class	Funds Requiring RIA	Other Investments
Class F	0.50%	0.50%
Class O	0.25%	0.25%
Class I	0.10%	0.00%

The fees shown above are annual fees. You will be billed one fourth of this amount on a quarterly basis.

For example, for a \$100,000 investment, you will pay \$125 per quarter for a Class F client; but it will be \$25 per quarter if the investment requires an RIA or free if it does not require an RIA, for Class I client. No increase in the annual fee shall be effective without prior written notification to you. We believe our advisory fee is reasonably low considering the fees charged by other investment advisers offering similar services/programs.

You may also incur fees related to your use of outside service providers including third-party administrators and record keepers. The fee schedule for each outside service provider varies dramatically from service provider to service provider. The service provider's fees will also vary from plan to plan as each plan's structure and characteristics are different from the next.

We believe our services help plan sponsors and plan fiduciaries meet their fiduciary duty to the plan and its participants.

3. Other Fees

Clients who opt for reports, statements and other types of communication in hardcopy form will be assessed an additional administration fee of \$10 per month. This fee will be automatically deducted from your account along with your advisory fee as previously described.

Item 6 – Performance Based Fee and Side by Side Management

We do not charge any performance-based fees. These are fees based on a share of capital gains on or capital appreciation of the assets of a client. We do not perform side-by-side management.

Item 7 – Types of Client(s)

We provide advisory services to individuals, high net worth individuals, trusts, families, estates, endowments, tax-qualified retirement plans (both defined benefit and defined contribution) that are intended to receive favorable tax-treatment under section 401(a) or 403(b) of the IRS, non-qualified executive deferred compensation plans, and other types of retirement plan types as may be introduced to the Programs.

As indicated in Item 5, we typically require a minimum balance of \$50,000 per client, which includes an aggregate of all of the client's investment accounts. Minimums are negotiable depending upon the nature of your circumstances; we have no maintenance requirements.

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

We use fundamental, technical, and cyclical analyses as well as asset allocation as part of our overall investment management discipline; the implementation of these analyses as part of our investment advisory services to you may include any, all or a combination of the following:

1. Fundamental Analysis

Fundamental analysis is a technique that attempts to determine a security's value by focusing on the

underlying factors that affect that security's value; the analysis focuses on using real data to evaluate a security's value. We conduct disciplined fundamental analysis to develop asset allocation recommendations that frequently deviate from that generated by generic practitioners of Modern Portfolio Theory.

One of the primary assumptions of fundamental analysis is that the price of a given security in the financial markets may not fully reflect a security's underlying value. We use a combination of qualitative and quantitative factors to find diversified ETFs, ETNs and mutual funds that we believe are undervalued. We look at both macroeconomic factors such as the overall economy and industry conditions. When we are examining a fund, we might look at the fund's annual dividend payout, earnings per share, price to earnings ("PE") ratio and many other quantitative factors. However, no analysis is complete without taking into account other qualitative factors.

The end goal of performing fundamental analysis is to produce a value that we can compare with the security's current price, with the aim of determining what size of position to take in that security, if any (underpriced = buy, overpriced = sell).

Once we discover undervalued funds that are investing in undervalued financial instruments, we look at their stability and volatility.

In order to perform this fundamental analysis, we use many resources, such as:

- Morningstar
- Financial newspapers and magazines including but not limited to Bloomberg, The Wall Street Journal, the Economist, Financial Times, Barron's as well as blogs of portfolio managers we highly respect
- Publications from the Federal Reserve, European Central Bank and other financial authorities
- Research materials prepared by others

The investment strategies we use to implement any investment advice given to you include, but are not limited to:

- Long term purchases — securities held at least a year
- Short term purchases — securities sold within a year
- Trading — securities sold within 30 days

In certain situations, with compliance to Client's objective and risk tolerance, hedging strategies may be used by means of Options such as:

- Covered calls to produce additional income during stock's consolidation phase
- Purchase of puts to protect significant market downturns

2. Technical Analysis

We use technical analysis to supplement the fundamental analysis in selecting stocks or ETFs/Mutual funds as well as in deciding the buy or sell signals. These technical analyses include, but are not limited to:

- Elliott wave analysis
- Put/call ratio

- AAI investor sentiment
- CNN fear and greed index
- On balance volume (OBV) analysis
- Channel analysis, in particular Starc bands
- Pivot points, resistance and supports
- Advance/decline line analysis
- Relative strength index (RSI) and moving average convergence divergence (MACD) analysis

3. Cyclical Analysis

While we do not attempt to time the market, we may use cyclical analysis in conjunction with other strategies to help determine if shifts are required in our investment strategies depending upon long and short-term trends in financial markets and the performance of the overall national and global economy.

4. Asset Allocation

Asset allocation is an investment strategy that attempts to balance risk versus reward by adjusting the percentage of each asset in an investment portfolio according to the investor's risk tolerance, goals and investment time frame. It is typically considered a core premise in modern portfolio management. Asset allocation is based on the principle that different assets perform differently in different market and economic conditions and may include asset classes such as cash, cash equivalents, equities, bonds and other fixed income securities, commodities, derivatives, currencies, etc., or a combination thereof. However, we may choose to utilize one or more of these asset classes in accordance with your overall investment strategy. A fundamental justification for asset allocation is the notion that different asset classes offer returns that are not perfectly correlated; thus, diversification reduces the overall risk in terms of the variability of returns for a given level of expected return. Asset allocation attempts to predict future returns and risks based upon historical performance; nevertheless, past performance is no guarantee of future return and the long-run behavior of asset classes does not guarantee their shorter-term behavior.

5. Risks

We cannot guarantee our analysis methods will yield a return. In fact, a loss of principal is always a risk. Investing in securities involves a risk of loss that you should be prepared to handle. You need to understand that investment decisions made for your account by us are subject to various market, currency, economic, political and business risks. The investment decisions we make for you will not always be profitable nor can we guarantee any level of performance. For a more comprehensive description of all the risks associated with our strategies, methodology, and products, please refer to the glossary under Risks.

Item 9 – Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. We have no information to disclose here about the firm or any of our investment advisors. We adhere to high ethical standards for all advisors and associates. We strive to always do what is in your best interests.

Item 10 – Other Financial Industry Activities and Affiliations

Our Investment Advisor Representatives currently do not participate in other business activities or have any outside affiliations at this time.

Neither DAI Advisors nor its representatives are registered or plan to register as a broker-dealer or registered representative of a broker-dealer.

Neither DAI Advisors nor its representatives are registered or plan to register as a FCM, CPO, or CTA.

Neither DAI Advisors nor its representatives recommend or select other investment advisers for clients.

Item 11 – Code of Ethics, Participation in Client Accounts and Personal Trading

1. General Information

We have adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct, and fiduciary duty to you, our client. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumormongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All our supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

2. Participation or Interest in Client Accounts

We may recommend securities to you that we have purchased for our own accounts. We may trade securities in our account that we have recommended to you as long as we place our orders after your orders. This policy is meant to prevent us from benefiting as a result of transactions placed on behalf of advisory accounts.

The following acts are prohibited:

- Employing any device, scheme or artifice to defraud
- Making any untrue statement of a material fact
- Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading
- Engaging in any fraudulent or deceitful act, practice or course of business
- Engaging in any manipulative practices
- Participating in Client accounts

You may request a copy of the firm's Code of Ethics by contacting our Chief Compliance Officer at contact@daiadvisors.com or +1 (510) 709-7543.

3. Personal Trading

We have established the following restrictions in order to ensure our fiduciary responsibilities to you are met:

- No securities for our personal portfolio(s) shall be bought or sold where this decision is substantially derived, in whole or in part, from the role of Investment Advisory Representative(s) of DAI Advisors, unless the information is also available to the investing public on reasonable inquiry. In no case, shall we put our own interests ahead of yours.
- We emphasize your unrestricted right to decline to implement any advice rendered.

However, some securities trade in sufficiently broad markets to permit transactions by clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with our records as required.

In addition, open-end mutual funds and/or investment sub-accounts which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value. Therefore, purchases of mutual funds and/or variable insurance products by an advisor are not likely to have an impact on the prices of the fund in which you invest. These types of transactions are not prohibited by our policies and procedures.

Certain affiliated accounts may trade in the same securities with your accounts on an aggregated basis when consistent with our obligation of best execution. When trades are aggregated, all parties will share the costs in proportion to their investment. We will retain records of the trade order (specifying each participating account) and its allocation. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

4. Responsibility

It is the responsibility of all supervisory personnel to ensure that we conduct business with the highest level of ethical standards and in keeping with our fiduciary duties to you. We must put your interests first and refrain from having outside interests that conflict with your interests.

5. Privacy Statement

We are committed to safeguarding your confidential information and hold all personal information provided to us in the strictest confidence. These records include all personal information that we collect from you or receive from other firms in connection with any of the financial services they provide. We also require other firms with whom we deal with to restrict the use of your information. Our Privacy Policy is available upon request at contact@daiadvisors.com or +1 (510) 709-7543.

6. Conflicts of Interest

We act in a fiduciary capacity as required by SEC and state Regulations. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We also adhere to the fiduciary standards of ERISA for all ERISA accounts. We adhere to the Impartial Conduct Standards which includes the “best interest” standard, reasonable compensation and no misrepresentation of information. We have policies and procedures in place to monitor our adherence to our fiduciary obligation. We strive to do what is in the best interests of all the accounts we advise. In a

simple language, we do not recommend to clients, or buys or sells for client accounts, securities in which we have a material financial interest.

7. Use of Disclaimers

We shall not attempt to limit liability for willful misconduct or gross negligence through the use of disclaimers.

Item 12 – Brokerage Practices

1. Soft Dollars

Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits. DAI Advisors does not receive soft dollar benefits from anyone other than the Custodians who carry client accounts.

Fidelity Investments and other third-party managers may provide us with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act"). Fidelity Investment's brokerage services include access to a broad range of investment products, execution of securities transactions, custody of client assets, access to client account data (such as duplicate trade confirmations and account statements, pricing and other market data, facilitate payment of our fees from our clients' accounts, and assist with back-office functions, recordkeeping and client reporting.

These research products and/or services will assist the Advisor in its investment decision-making process. Such research generally will be used to service all the Advisor's clients, but brokerage commissions paid by the client may be used to pay for research that is not used in managing the client's account. For our clients' accounts it maintains, Fidelity Investments generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Fidelity Investments account.

The account may pay a commission greater than another qualified broker-dealer might charge to affect the same transaction where the Advisor determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

We seek to recommend a custodian/broker which will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- a combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- a capability to execute, clear and settle trades (buy and sell securities for your account)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- a breadth of investment products made available (stocks, bonds, mutual funds, ETFs, ETNs etc.)
- an availability of investment research and tools that assist us in making investment decisions
- the quality of services
- the competitiveness of the price of those services (commission rates, margin interest rates, other

- fees, etc.) and willingness to negotiate them
- the reputation, financial strength and stability of the provider
- their prior service to us and our other clients
- the ability to provide alternative investments products
- the availability of other products and services that benefit us.

2. Brokerage for Client Referrals

We do not receive any compensation or incentive for referring you to broker-dealers for brokerage trades.

3. Directed Brokerage

Not all advisory firms require you to direct brokerage to a specific broker-dealer/custodian. We have an obligation to seek best execution for you. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of services, including the value of research provided, execution capability, commission rates and responsiveness. Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for account transactions.

We have developed relationships with Custodians with whom you may custody your investment accounts. These brokerages may include, but are not limited to, Charles Schwab and Fidelity. By directing brokerage to a broker-dealer/custodian we recommend, you may pay higher fees or transaction costs than those obtainable by other broker-dealers. In most cases, we believe you are paying a discounted and reasonable rate.

Transactions for each client account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may (but are not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our clients’ differences in prices and commission or other transaction costs. Under this procedure, transactions will be price-averaged and allocated among our clients in proportion to the purchase and sale orders placed for each client account on any given day.

Item 13 – Review of Accounts

1. Duty to Supervise

We are responsible for ensuring adequate supervision over the activities of all persons who act on our behalf. Specific duties include:

- Establish procedures that could be reasonably expected to prevent and detect violations of law by our advisory personnel
- Analyze operations and create a system of controls to ensure compliance with applicable securities laws
- Ensure that all advisory personnel fully understand the Company's policies and procedures
- Establish a review system designed to provide reasonable assurance that our policies and procedures are effective and being followed

2. Reviews

We will provide you a thorough investment risk tolerance questionnaire at least annually or as agreed to by us to assess your time horizon and liquidity needs, level and stability of earned income, aversion to risk and asset price volatility, overall investment knowledge and total assets and liabilities, including those not managed by DAI Advisors. Based on your individual profile, we will continuously monitor and periodically rebalance your portfolio to seek to maintain the targeted risk tolerance and optimal return for your risk level; reviews are conducted by George Dai, PhD, CAIA®, Chief Executive Officer, Chief Investment Officer and Chief Compliance Officer. Generally, we will monitor for changes and shifts in the economy, changes to the management and structure of a mutual fund or company in which client assets are invested, and market shifts and corrections. Factors that trigger such reviews are (1) account value changes over 5% from the previous review; (2) public equity markets change over 5% in a single month or over 10% in a single quarter; and (3) significant changes in client's investment policy statement.

3. Reports

You will be provided with account statements from the Custodian reflecting the transactions occurring in your investment account(s) on at least a quarterly basis. These statements will be written or electronic depending upon what you selected when you opened the account. You will be provided with confirmations from the Custodian for each securities transaction executed in your account(s). You are obligated to notify us of any discrepancies in the account(s) or any concerns you have about the account(s). For reports that are triggered by reviews, it will include the suitability of existing portfolio's asset allocation and how it should be changed to reflect the factors that trigger the review.

We also provide you with continuous access, via our website, mobile apps and the website of our Custodian(s), to real-time information about your account status, securities positions and balances. You will also receive periodic email communications describing portfolio performance, investment strategies, account information, and product features.

Item 14 – Client Referrals and Other Compensation

We do not receive any compensation for referring clients to another advisor nor do we pay any compensation to another advisor if they refer clients to us.

Item 15 – Custody

We do not have physical custody of any accounts or assets. However, we may be deemed to have custody of your account(s) since we can deduct your quarterly fees directly from the Custodian. You should receive at least monthly statements from the Custodian that holds and maintains your investment assets. We urge you to carefully review such statements and compare this official custodial record to the quarterly account statements that we provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities. If you notice any discrepancies, please contact George Dai, PhD, CAIA®, at contact@daiadvisors.com or +1 (510) 709-7543.

We do not debit the client fees directly from your advisory account. Only the Custodian has the authority to directly charge and debit fees from your account, which are then forwarded to us. The Custodian will provide you immediate transaction confirmations and monthly statements, either by mail or electronically

per your request. Monthly statements list the total value of the account at the start and end of the month and itemize all transactions and security positions. For taxable accounts, the Custodian will provide you with consolidated year-end summary statements including IRS forms 1099 and other tax-related forms, as applicable. We are not allowed to make alterations or amendments to the Custodian's statement. This preserves the integrity of the Custodian's statement and provides you with an independent appraisal of the account.

If authorized by the Plan Sponsor, the Adviser can debit fees directly from the Plan Sponsor's bank account through the submission of a billing file to the plan custodian, however, the Adviser does not have authority to possess or take actual custody of clients' funds or securities. Plan Sponsors and plan participants should receive at least quarterly statements from the record keeper and Plan Sponsors and participants should carefully review such statements. For safeguarding this process, the Adviser will have written authorization from the client to deduct advisory fees from the account held with the qualified custodian. Each time a fee is directly deducted from a client account, the investment adviser concurrently (i) sends the qualified custodian an invoice or statement of the amount of fee to be deducted from the client's account; (ii) sends the client an invoice or statement itemizing the fees. Itemization includes the formula used to calculate the fee, the value of the assets under management on which the fee is based, and the time period covered by the fee. The investment adviser notifies the Commissioner in writing that the investment adviser intends to use the safeguards provided in this paragraph.

Item 16 – Investment Discretion

We usually receive discretionary authority from you at the beginning of an advisory relationship to select the identity and amount of securities to be bought or sold. This information is described in the Advisory Agreement you sign with us. In all cases, however, this discretion is exercised in a manner consistent with your stated investment objectives for your account.

When selecting securities and determining amounts, we observe the investment policies, limitations and restrictions you have set. For registered investment companies, our authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

We require that any investment guidelines and/or restrictions be provided to us in writing.

If we do not receive discretionary authority from you to select the type of securities and amount of securities to be bought or sold, we usually only can rebalance and reallocate your accounts on a quarterly basis, with your permission. The Advisory Agreement details this in full.

In performing discretionary management services, the Adviser is acting as an "investment manager" (as that term is defined in Section 3(38) of ERISA) and as a fiduciary to the Plan and shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

For non-discretionary accounts, we will properly secure your permission prior to effecting securities transactions pursuant to California Code of Regulations, Section 260.237.2(f)(1).

Item 17 – Voting Client Securities

As a matter of firm policy and practice, we do not have any authority to and do not vote proxies on behalf of advisory clients. You retain the responsibility for receiving and voting proxies for all securities maintained in your portfolios. We may provide advice to you regarding your voting of proxies. We are authorized to instruct the Custodian to forward you copies of all proxies and shareholder communications relating to your account assets.

Item 18 – Financial Information

We are required to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that would impair our ability to meet any contractual and fiduciary commitments to you, our client. We have not been the subject of any bankruptcy proceedings. As indicated in Item 5, Item 15 and Item 16, we do not charge advisory fees that are both in excess of five hundred dollars and more than six months in advance of advisory services rendered and do not have physical custody of any accounts or assets; we do exercise investment discretion.

Item 19 – Requirements for State Registered Advisers

All material conflicts of interest under CCR Section 260.238 (k) are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

Executive Officer and Management Personnel

DAI Advisors has the sole owner of Guangming George Dai (George Dai).

George Dai is the sole principal of the Adviser, DAI Advisors. He is the Chief Executive Officer, the Chief Investment Officer, and the Chief Compliance Officer.

Part A

Education

- Doctor of Philosophy in Astronomy, Lund University, Sweden, 1995
- Bachelor of Science in Physics, Xiamen University, China, 1986

Business History

- January 2019 – Present Chief Executive Office, Chief Investment Officer and Chief Compliance Officer at DAI Advisors
- February 2017 – Present Sr. Principal Research Scientist, Johnson & Johnson Vision
- March 2009 – January 2017 Associate Research Fellow, Abbott Medical Optics
- July 2005 – February 2009 Research Scientist, Advanced Medical Optics
- August 2001 – June 2005 Staff Scientist, VISX Incorporated
- November 2000 – July 2001 Software Engineer, Blue Martini Software, Inc.
- April 2000 – October 2000 Sr. Software Engineer, Charitableway.com, Inc.
- October 1999 – April 2000 Software Developer, X/Net Associates, Inc.

- October 1997 – October 1999 Sr. Software Engineer/DBA, Manning & Napier
Information Services

Part B

As noted in item 10 “Other Financial Industry Activities and Affiliations” above, George Dai currently is employed full-time as a scientist by Johnson & Johnson.

Part C

We do not charge a performance-based fee (fees based on a share of capital gains on, or capital appreciation of, the assets of a client) for our normal asset management accounts.

Part D

Neither DAI Advisors nor George Dai, PhD, CAIA®, has disciplinary history to disclose.

Part E

Neither the firm nor George Dai, PhD, CAIA®, has any relationship with any issuer of securities.



Form ADV
Part 2B: Disclosure
Brochure Supplement
March 10, 2020

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This brochure supplement provides information about Guangming George Dai, PhD, CAIA®, CRD # 7059603, and supplements the DAI Advisors brochure. You should have received a copy of that brochure. Please contact him if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional information about Guangming George Dai, PhD, CAIA®, is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

George Dai, PhD, CAIA®

Chief Executive Officer, Chief Investment Officer, and Chief Compliance Officer (b. 1965)

George founded the firm in 2019 and has been continuously engaged in the investment management business since its inception. George started his personal investment since the early 1990s, involving stocks, mutual funds, bonds, options, real estate and alternative investments. He applies both fundamental analysis and technical analysis, in particular the Elliott Wave technique. More recently, George invested into commercial real estate with heavy interaction with sponsors. In addition, he also invested into other alternative asset classes such as commodities, digital assets, and venture debts. Apart from his interest in investments, he held day jobs at various medical device companies that include Johnson & Johnson and Abbott Laboratories. George is a prolific author and inventor with more than 30 peer-reviewed journal articles, a single-authored book, and more than 80 issued US patents. He holds a PhD degree in astronomy and B.S. degree in Physics. In his spare time, George enjoys swimming, hiking, and yoga. He is a certified yoga teacher.

Item 3 – Disciplinary Information

Neither DAI Advisors nor George Dai, PhD, CAIA®, has disciplinary history to disclose.

Item 4 – Other Business Activities

As noted in item 10 “Other Financial Industry Activities and Affiliations” above, George Dai, PhD, CAIA®, currently does not participate in other business activities or have any outside affiliations at this time. But he maintains a professional job as a research scientist outside the investment advisory business.

Item 5 – Additional Compensation

George Dai, PhD, CAIA®, does not receive any other compensation.

Item 6 – Supervision

George Dai, PhD, CAIA®, is the Chief Executive Officer, Chief Investment Officer, and Chief Compliance Officer and performs all supervisory duties for his firm. He can be reached by phone at (510) 709-7543.

Item 7 – Requirements for State-Registered Advisers

George Dai has no reportable events to disclose here. To be specific, he has not been awarded or otherwise found liable in an arbitration claim alleging damages in excess of \$2,500; likewise, he has not been awarded or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding, involving any of the following: (a) an investment or an investment-related business or activity; (b) fraud, false statement(s), or omissions; (c) theft, embezzlement, or other wrongful taking of property; (d) bribery, forgery, counterfeiting, or extortion; or (f) dishonest, unfair, or unethical practices. In addition, he has never been the subject of a bankruptcy petition.

Performance Fees

We do not charge a performance-based fee (fees based on a share of capital gains on, or capital appreciation of, the assets of a client) for our normal asset management accounts.

Other Relationships

Neither the firm nor George Dai, PhD, CAIA®, has any relationship with any issuer of securities.