

Tenjin AI Capital Advisors LLC

Form ADV Part 2A Brochure

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This brochure provides information about the qualifications and business practices of Tenjin AI Capital Advisors LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number or email address listed above. 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. Tenjin AI Capital Advisors LLC is a registered investment adviser, but registration does not imply a certain level of skill or training.

Additional information about Tenjin AI Capital Advisors LLC is also available on the SEC's website at www.adviserinfo.sec.gov and by searching for CRD# 311013.

Item 2: Material Changes

There are no material changes in this brochure from the last annual updating amendment of Tenjin AI Capital Advisors LLC on March 11, 2021. Material changes relate to Tenjin AI Capital Advisors LLC's policies, practices or conflicts of interests only.

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Item 4: Advisory Business

- A. Tenjin AI Capital Advisors LLC (“Adviser”) is an investment adviser founded in 2020 and registered with the U.S. Securities and Exchange Commission as an “Internet Adviser” relying on rule 203A-2(e), and is principally owned by Shyam Sreenivasan and Sudeep Amin through Quantel AI, Inc.
- B. Adviser delivers its investment advisory services exclusively through an interactive website (the “TenjinAI™ Platform”) that offers three distinct tiers of services: (a) Investment Outlook, (b) Non-Discretionary Investment Advice, and (c) Discretionary Investment Management.

Through its Investment Outlook tier, Adviser provides its outlook for certain stocks, exchange traded funds (ETFs) and mutual funds, along with its general market outlook. No API link to a client’s existing accounts is established, and Adviser does not render discretionary management services through the Investment Outlook tier; clients are simply provided with investment education and potential investment themes to pursue at the client’s sole and absolute election.

Through its Non-Discretionary Investment Advice tier, Adviser establishes an API link to client’s existing accounts. Based on its analysis of client’s existing holdings as well as client-supplied investment objective, risk tolerance, and other suitability information, Adviser makes non-discretionary investment recommendations for clients to pursue at their sole and absolute election.

Through its Discretionary Investment Management tier, Adviser establishes an API link to client’s existing accounts. Based on its analysis of client’s existing holdings as well as client-supplied investment objective, risk tolerance, and other suitability information, Adviser thereafter manages the linked accounts on a discretionary basis.

Adviser typically provides investment advice with respect to limited types of investments, which include individual stocks, ETFs, and mutual funds.

- C. Through all of its tiers, clients interact with Adviser solely through the TenjinAI™ Platform website by accessing it securely through their web browser or a mobile application. Available investment strategies include Growth, Value, Momentum, and Emerging Markets based on a client’s specific goals, risk appetite, and other preferences that are analyzed by TenjinAI™ Platform analytical engine.
- D. Adviser does not participate in any wrap fee programs.
- E. As of December 31st, 2021, Tenjin AI Capital Advisors LLC manages assets totaling \$7,500,000.00 on a discretionary basis and \$0.00 on a non- discretionary basis.

Tenjin AI Capital Advisors LLC has Assets Under Advisement in the amount of \$2,400,000.00 as of December 31, 2021.

Item 5: Fees and Compensation

- A. Adviser is compensated for its advisory services by either flat fees or fees charged based on a client's assets under management with Adviser, depending on the particular service tier selected by the client.

The Investment Outlook tier is charged at a rate of \$19.99 per month in advance (generally after a free promotional period as disclosed to the client at the time of engagement).

The Non-Discretionary Investment Advice tier is charged at an annual rate of 0.30% of a client's assets linked to the TenjinAI™ Platform, billed monthly in arrears.

The Discretionary Investment Management tier is charged at an annual rate that generally ranges between 1.00% and 2.00% of a client's assets linked to the TenjinAI™ Platform and managed with discretion by Adviser, billed monthly in arrears. The specific annual rate is dependent on the particular portfolio(s) that Adviser is managing on behalf of the client, which will vary based on a client's investment objective, risk tolerance, and other suitability information. Because different portfolios are charged at different annual rates, Adviser has a conflict of interest in that it is incentivized to recommend and manage portfolios that will result in higher compensation. Adviser addresses this conflict of interest by fully disclosing it in this brochure, by designing and maintaining the TenjinAI™ Platform such that recommended and managed portfolios are purely based on a client's investment objective, risk tolerance, and other suitability information, and by always acting as a fiduciary with the client's best interests in mind.

Fees are not negotiable.

- B. Fees are deducted monthly in advance or arrears based on the service tier as described above. Asset-based fees are based upon the market value of such assets managed by Adviser as of the last day of the calendar month.
- C. In addition to the fees charged by Adviser, clients will incur brokerage and other transaction costs. Please refer to Item 12: Brokerage Practices, for further information on such brokerage and other transaction-related practices. Clients will also typically incur additional fees and expenses imposed by independent and unaffiliated third-parties, which can include qualified custodian fees, mutual fund or exchange traded fund fees and expenses, mark-ups and mark-downs, spreads paid to market makers, wire transfer fees, check-writing fees, early-redemption charges, certain deferred sales charges on previously-purchased mutual funds, margin fees, charges or interest, IRA and qualified retirement plan fees, and other fees and taxes on brokerage accounts and securities transactions. These additional charges are separate and apart from the fees charged by Adviser.
- D. If Adviser or client terminates the advisory agreement before the end of a monthly billing period, Adviser's fees will be prorated through the effective date of the termination. The pro rata fees for the remainder of the quarterly billing period after the termination will be refunded to client for clients billed in advance. For clients that are billed in arrears, the pro rata fees earned through the effective date of the termination will be billed to the client.
- E. Neither Adviser nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

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

Neither Adviser nor any of its supervised persons accepts performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

Item 7: Types of Clients

Adviser generally provides its services to individuals and high-net-worth individuals. Adviser does not have a minimum account value required to open or maintain an account.

Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

- A. The investment strategies used by Adviser when formulating investment advice or managing assets include risk-sensitive fundamental and quantitative data analysis. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance does not guarantee future returns.
- B. Like any investment strategy, risk-sensitive fundamental and quantitative data analysis involves material risks. Such material risks are described in further detail below:
 - i. Investing for any duration means that a client's account will be exposed to short-term fluctuations in the market and the behavioral impulse to make trading decisions based on such short-term market fluctuations. As such, clients will be exposed to risks borne out of changes to interest rates, inflation, general economic conditions, market cycles, geopolitical shifts, and regulatory changes.
 - ii. Adviser is wholly-dependent on its analytical engine and algorithms, the investment team that oversees its analytical engine and algorithms, as well as a client's inputs into such analytical engine and algorithms. The analytical engine and associated algorithms may not perform as intended for a variety of reasons, including but not limited to corrupted or inaccurate underlying code, incorrect assumptions, changes in the market environment, and/or changes to data inputs. Errors or failures of the analytical engine or algorithms will negatively affect the investment advice rendered, and could have unintended consequences with respect to a client's account(s).
- C. Investing in stocks means that clients will be subject to the ups and downs of the equity markets in general, as well as increases and decreases to the price of the stocks of the companies in which client has invested. There is no guarantee that a particular company or its stock will perform as expected, and equities are generally riskier and have more volatility than fixed income securities like bonds. The value of the equity securities held as part of a strategy are subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities.

Investing in mutual funds does not guarantee a return on investment, and shareholders of a mutual fund may lose the principal that they've invested into a particular mutual fund. Mutual funds invest into underlying securities that comprise the mutual fund, and as such clients are exposed to the risks arising from such underlying securities. Mutual funds charge internal expenses to their shareholders (which can include management fees, administration fees, shareholder servicing fees, sales loads, redemption fees, and other fund fees and expenses, e.g.), and such internal expenses subtract from its potential for market appreciation. Shares of mutual funds may only be traded at their stated net asset value ("NAV"), calculated at the end of each day upon the market's close.

Investing in ETFs bears similar risks and incurs similar costs to investing in mutual funds as described above. However, shares of an ETF may be traded like stocks on the open market and are not redeemable at an NAV. As such, the value of an ETF may fluctuate throughout the day and investors will be subject to the cost associated with the bid-ask spread (the difference between the price a buyer is willing to pay (bid) for an ETF and the seller's offering (asking price)).

Clients are encouraged to carefully read the prospectus of any mutual fund or ETF to be purchased for investment to obtain a full understanding of its respective risks and costs.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Adviser's advisory business or the integrity of Adviser's management.

Item 10: Other Financial Industry Activities & Affiliations

- A. Neither Adviser nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Neither Adviser nor its management persons have a material relationship with any of the potential related persons listed below:
 - i. broker-dealer, municipal securities dealer, or government securities dealer or broker
 - ii. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
 - iii. other investment adviser or financial planner
 - iv. futures commission merchant, commodity pool operator, or commodity trading advisor
 - v. banking or thrift institution
 - vi. accountant or accounting firm
 - vii. lawyer or law firm
 - viii. insurance company or agency
 - ix. pension consultant
 - x. real estate broker or dealer
 - xi. sponsor or syndicator of limited partnerships
- D. Adviser does not recommend or select any other investment advisers for its clients.
- E. Adviser is under common control with Tenjin AI Financial Technologies, LLC, Eagle AI LLC, and Quantel AI Services, LLC (the “Related Parties”). The Related Parties provide various products and services to the financial marketplace (which are primarily business-to-business products and services) that are not also offered to clients of Adviser, so it is not expected that such Related Parties or their related products and services will present a conflict of interest at this time.

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

- A. Adviser has adopted a code of ethics that will be provided to any client or prospective client upon request. Adviser's code of ethics describes the standards of business conduct that Adviser requires of its supervised persons, which is reflective of Adviser's fiduciary obligations to act in the best interests of its clients. The code of ethics also includes sections related to compliance with securities laws, reporting of personal securities transactions and holdings, reporting of violations of the code of ethics to Adviser's Chief Compliance Officer, pre-approval of certain investments by access persons, and the distribution of the code of ethics and any amendments to all supervised persons followed by a written acknowledgement of their receipt.
- B. Neither Adviser nor any of its related persons recommends to clients, or buys or sells for client accounts, securities in which Adviser or any of its related persons has a material financial interest.
- C. From time to time, Adviser or its related persons will invest in the same securities (or related securities such as warrants, options or futures) that Adviser or a related person recommends to clients. This has the potential to create a conflict of interest because it affords Adviser or its related persons the opportunity to profit from the investment recommendations made to clients. Adviser's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Adviser or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances Adviser will act in the best interests of its clients.
- D. From time to time, Adviser or its related persons will buy or sell securities for client accounts at or about the same time that Adviser or a related person buys or sells the same securities for its own (or the related person's own) account. This has the potential to create a conflict of interest because it affords Adviser or its related persons the opportunity to trade either before or after the trade is made in client accounts, and profit as a result. Adviser's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Adviser or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances Adviser will act in the best interests of its clients.

Item 12: Brokerage Practices

- A. Adviser considers several factors when recommending a custodial broker-dealer for client transactions and determining the reasonableness of such custodial broker-dealer's compensation. Such factors include the custodial broker-dealer's industry reputation and financial stability, service quality and responsiveness, execution price, speed and accuracy, reporting abilities, and general expertise. Assessing these factors as a whole allows Adviser to fulfil its duty to seek best execution for its clients' securities transactions. However, Adviser does not guarantee that the custodial broker-dealer recommended for client transactions will necessarily provide the best possible price, as price is not the sole factor considered when seeking best execution. After considering the factors above, Adviser recommends DriveWealth, LLC ("DriveWealth") and Alpaca Securities LLC ("Alpaca") as the custodial broker-dealers for client accounts (collectively, the "Custodial Broker-Dealers")
- i. Adviser does not receive research and other soft dollar benefits in connection with client securities transactions, which are known as "soft dollar benefits". However, the Custodial Broker-Dealers recommended by Adviser do provide certain products and services that are intended to directly benefit Adviser, clients, or both. Such products and services include (a) an online platform through which Adviser can monitor and review client accounts, (b) access to proprietary technology that allows for order entry, (c) duplicate statements for client accounts and confirmations for client transactions, and (d) API connectivity permitting the TenjinAI™ Platform to function. The receipt of these products and services creates a conflict of interest to the extent it causes Adviser to recommend the Custodial Broker-Dealers as opposed to a comparable broker-dealer. Adviser addresses this conflict of interest by fully disclosing it in this brochure, evaluating the Custodial Broker-Dealers based on the value and quality of its services as realized by clients, and by periodically evaluating alternative broker-dealers to recommend.
 - ii. Adviser does not consider, in selecting or recommending custodial broker-dealers, whether Adviser or a related person receives client referrals from a custodial broker-dealer or third-party.
 - iii. Adviser does not routinely recommend, request, or require that a client direct Adviser to execute transactions through a specified custodial broker-dealer.
- B. Adviser retains the ability to aggregate the purchase and sale of securities for clients' accounts with the goal of seeking more efficient execution and more consistent results across accounts. Aggregated trading instructions will not be placed if it would result in increased administrative and other costs, custodial burdens, or other disadvantages. If client trades are aggregated by Adviser, such aggregation will be done so as to not to disadvantage any client and to treat all clients as fairly and equally as possible.

Item 13: Review of Accounts

- A. Adviser's analytical engine and algorithms monitors and reviews client accounts on an ongoing basis, with oversight of such analytical engine and algorithms by Adviser's investment personnel. Such monitoring and reviews are designed to ensure that the client is still on track to achieve his or her financial goals, and that the investments remain appropriate given the client's risk tolerance, investment objectives, and other factors. Clients are encouraged to proactively update their online profile or prior inputs to the TenjinAI™ Platform with any changes to their personal or financial situation.
- B. Other factors that may trigger a review include, but are not limited to, material developments in market conditions, material geopolitical events, and changes to a client's personal or financial situation as indicated and updated by a client (the birth of a child, preparing for a home purchase, plans to attend higher education, a job transition, impending retirement, death or disability among family members, etc.).
- C. The custodial broker-dealer will send account statements and reports directly to clients no less frequently than quarterly. Such statements and reports will be mailed to clients at their address of record or delivered electronically, depending on the client's election. If agreed to by Adviser and client, Adviser or a third-party report provider will also send clients reports to assist them in understanding their account positions and performance, as well as the progress toward achieving financial goals.

Item 14: Client Referrals and Other Compensation

- A. Nobody other than clients provides an economic benefit to Adviser for providing investment advice or other advisory services to clients. However, as described above in Item 12, the custodial broker-dealer(s) recommended for client accounts provides certain products and services that are intended to directly benefit Adviser, clients, or both.
- B. Neither Adviser nor a related person directly or indirectly compensates a person who is not Adviser's supervised person for client referrals.

Item 15: Custody

For clients that do not have their fees deducted directly from their account(s), Adviser will not have any custody of client funds or securities. For clients that have their fees deducted directly from their account(s), Adviser will typically be deemed to have limited custody over such clients' funds or securities pursuant to the SEC's custody rule and subsequent guidance thereto. At no time will Adviser accept full custody of client funds or securities in the capacity of a custodial broker-dealer, and at all times client accounts will be held by a third-party qualified custodian as described in Item 12, above.

If a client receives account statements from both the custodial broker-dealer and Adviser or a third-party report provider, client is urged to compare such account statements and advise Adviser of any discrepancies between them.

Item 16: Investment Discretion

Adviser accepts discretionary authority to manage securities accounts on behalf of clients that have elected the Discretionary Investment Management tier, and in such instances only pursuant the mutual written agreement of Adviser and the client through a power-of-attorney, which is typically contained in the advisory agreement signed by Adviser and the client. Clients may place reasonable limitations on this discretionary authority so long as it contained in a written agreement and/or power-of-attorney.

Item 17: Voting Client Securities

- A. Adviser does not have and will not accept authority to vote client securities.
- B. Clients will receive their proxies or other solicitations directly from their custodial broker-dealer or a transfer agent, as applicable, and should direct any inquiries regarding such proxies or other solicitations directly to the sender.

Item 18: Financial Information

- A. Adviser does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.
- B. Adviser does not have custody of client funds or securities, or require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.