



Form ADV Part 2A – Firm Brochure December 31, 2022

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This brochure provides information about the qualifications and business practices of Gainy, Inc. If clients have any questions about the contents of this brochure, please contact us at [+1 \(650\) 636-6395](tel:+16506366395) or info@gainy.app. 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. Additional information about Gainy, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Please note that the use of the term “registered investment adviser” and the description of our firm and/or our associates as “registered” does not imply a certain level of skill or training.

Item 2: Material Changes

There are the following material changes to our brochure from the previous version dated November 30, 2022.

Compensation for Our Advisory Services. We decreased our Advisory fee from 1% of Assets under Management annually for accounts with more than \$10 000 under management and \$100 for smaller accounts to 0.96% and \$96 respectively.

Clients will receive a summary of any material changes to this brochure within 120 days of the close of our fiscal year. Furthermore, we will provide clients with other interim disclosures about material changes as necessary.

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Item 4: Advisory Business

The Company

Gainy Inc. is a digital investment adviser registered with the SEC since July 26th, 2021. Gainy, through its mobile platform, provides clients with automated investment advisory and portfolio management services by utilizing proprietary algorithms that match securities to clients' interests and risk profiles. The investments are executed through brokerage accounts that all clients open with DriveWealth LLC ("DriveWealth"), a brokerage company and a member of Financial Industry Regulatory Authority ("FINRA"). DriveWealth is not affiliated with Gainy. When opening an account on the Gainy mobile platform, all clients simultaneously enter into an advisory agreement with Gainy and a brokerage and custody agreement with DriveWealth.

Additional information about Gainy services, structure and directors is provided in Part 1 and Part 2B of Gainy Form ADV which is available online at www.adviserinfo.sec.gov or at www.gainy.app. We encourage visiting our website www.gainy.app for additional information.

Types of Advisory Services Offered and How We Tailor Our Services

Gainy focuses on the simplification of investment decisions for retail investors by creating thematic-based model portfolios of stocks and cryptocurrencies ("Thematic Trading Fractionals" or "TTFs") that can be replicated in clients' portfolios by purchasing fractional shares of the stocks comprising the model portfolio via DriveWealth autopilot platform.

Once the portfolio is created in a client's account, Gainy maintains the weights of the underlying securities in accordance with the model portfolios by utilizing DriveWealth auto-pilot functionality.

With the current capabilities of the platform, all securities purchases/sales are executed at 10:30 am of the closest business day, provided that the client's account is fully funded for such transactions and that the markets are open on this date. For example, if a client using Gainy's platform sends an order to buy a specific TTF at 3 p.m., and there are enough funds to make this acquisition, the buy orders for the corresponding fractional shares will be placed at 10:30 a.m. the next trading day.

When creating TTFs, Gainy's investment objective is to seek maximum long-term, risk-adjusted returns while maintaining the thematic focus of each TTF.

Thematic investments and the Match Score

As a part of the investment advisory process, Gainy collects data on clients' interests with regard to industries, sectors, and investment topics. The stocks and cryptocurrencies are divided into groups linked to certain investment topics. These groups become an integral part of creating TTFs.

Furthermore, based on the onboarding questionnaire, Gainy establishes the risk tolerance of individual investors and assigns them to groups based on the risk profile: Conservative, Moderate, and Aggressive.

Each stock and cryptocurrency on the Gainy platform receives a Match Score for each user based on how well the stock fits the thematic requirements and the risk profile of a user.

The client may choose to direct Gainy to buy a single security of the client's choosing or instruct Gainy to invest in a group of stocks resembling a model portfolio referred to as Thematic Trading Fractionals (TTFs), and give Gainy a discretion to further buy and sell stocks to follow the chosen TTFs

Thematic Trading Fractionals (TTFs)

Following the grouping of securities by investment themes, Gainy creates model portfolios (referred to as "Thematic Trading Fractionals" or "TTFs"). The portfolios are optimized using the proprietary optimization algorithm based on the Risk Budgeting approach, further enhanced by optimizing the diversification within the portfolio and bringing the portfolio's relative volatility (beta) closer to the market.

The Gainy platform allows clients to search through the available TTFs and highlights those that have the highest Match Score for each client, and therefore better match the client's investment interests and risk profile.

The Match Score of a TTF is calculated as a weighted Match Score for securities comprising the TTF.

Financial Planning Service Through Software

In addition to investment advisory and portfolio management services, Gainy also provides certain software-based financial planning, informational, and portfolio analysis tools and services to its clients. These products and services are provided as part of Gainy's software platform.

Item 5: Fees & Compensation

Compensation for Our Advisory Services

Gainy is compensated for its advisory services by charging an annual 1% fee on the net market value of a client's account calculated daily and charged at the end of the month. For accounts with a total net market value of less than \$10 000, instead of the 0.96% fee, Gainy charges a flat fee ("Platform Fee") of \$96/year, pro-rated daily. The Platform Fee compensates Gainy for advisory services, research, and access to financial data offered by Gainy to smaller accounts.

At the end of each month, Gainy calculates the total amount of the monthly fee based on daily calculations of the market value of client's account and sends them a fee statement through the app. The market value of any security or investment in the account is determined by the custodian. The advisory fee can be charged from the client's account under Gainy's advisory or from a client's debit/credit card if they choose this option.

Gainy reserves the right, in its sole discretion, to negotiate, reduce or waive the advisory fee for certain client accounts for any period of time determined solely by Gainy. In addition, Gainy may reduce or waive its fees for the accounts of some clients without notice to, or fee adjustment for, other clients.

Other Types of Fees & Expenses

In addition to the advisory fees, clients may also pay other fees or expenses to third parties. The issuers of certain investments Gainy purchases for clients (such as ETFs or other investments) may charge Clients separate product fees. Gainy does not charge these product fees to clients, nor does it benefit directly or indirectly from any such fees.

Investments made through a brokerage account may incur brokerage and transaction costs, including but not limited to fees and expenses charged by investment company securities disclosed by the prospectus and the Custodian. A list of Broker/Custodian fees is available at the Broker's website or by contacting Broker.

In addition, fees associated with connecting to our web or mobile platform, including all internet service and data fees will be charged to you directly by the service provider.

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

Termination & Refunds

At any time, a client may terminate an account, or withdraw all or part of an account (provided the account balance does not fall below \$500 because of the withdrawal) or update their investment profile. If a client requests the withdrawal, the client needs to confirm that there is enough cash in the account to fund the withdrawal and initiate a sale of some or all TTFs to fund the withdrawal if the cash funds are not sufficient. In this case, the withdrawal will be processed once there is enough cash in the account to fund the withdrawal and any outstanding fees charged by Gainy or third parties.

Conversely, Gainy reserves the right to terminate the client's account and return the funds to the client if the total net market value of the account falls below \$500.

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

Our firm does not charge performance-based fees.

Item 7: Types of Clients & Account Requirements

The advisory program is available to individuals who use our platform. Users must complete a risk profile and meet the requirements to open a brokerage account with the Broker. The minimum amount to open and maintain an account with Gainy is \$500.

At any time, a client may terminate an account, or withdraw all or part of an account (provided the account balance does not fall below \$500 because of the withdrawal) or update their investment profile. If a client requests the withdrawal, the client needs to confirm that there is enough cash in the account to fund the withdrawal and initiate a sale of some or all TTFs to fund the withdrawal if the cash funds are not sufficient. In this case, the withdrawal will be processed once there is enough cash in the account to fund the withdrawal and any outstanding fees charged by Gainy or third parties.

Gainy aims to deliver risk-appropriate exposure to thematic investments and is better suited for mid to long-term investors who want to control the tactical and strategic allocation of their portfolios. By creating and optimizing TTFs, Gainy offers building blocks for portfolio construction and provides information on the suitability of investments for clients with particular interests and risk profiles. However, the final decision on whether to invest in a certain TTF and how long to hold it is up to the discretion of the client.

Gainy provides its services through a mobile platform. Therefore, each client must acknowledge their ability and willingness to conduct business with Gainy on an electronic basis. The client acknowledges that they have access to mobile devices compatible with the current version of Gainy's investment platform. Unless stated otherwise, all communication, the signatures for the corresponding agreements, and all documentation are conducted electronically through Gainy's platform or by means of electronic mail.

To tailor investment decisions to the needs of each client, Gainy collects and analyzes client-specific data including their investment profiles, interests in investments themes, and current portfolios with Gainy and third-party brokerage services. Gainy maintains this information in strict confidence in accordance with its Privacy Policy, which is provided to clients. Although Gainy will contact its clients periodically to remind them to update their user profile, a client must promptly notify Gainy of any material change in their financial situation, investment objectives, or risk tolerance by changing the user profile on the Gainy mobile platform and filling the onboarding questionnaire if necessary.

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

Methods of Analysis, Investment Strategies and Associated Risks

Risk-Budgeting

Thematic Trading Fractionals (TTFs) are automated, diversified, thematic model portfolios. When creating them, Gainy is using a variation of risk budgeting optimization.

Risk budgeting portfolio optimization is a risk-based asset allocation method where each asset in the portfolio receives an assigned risk contribution. The variation of risk budgeting where each asset is assigned an equal amount of risk contribution is often referred to as risk parity. Some research, e.g. Chaves et al (2011)¹, suggests that in the long run, risk parity portfolios deliver higher risk-adjusted returns than portfolios created using Modern Portfolio Theory (MPT) or mean-variance optimization, which aims at maximizing return to risk ratio, but requires accurately estimating both future risk and returns. Risk budgeting, on the other hand, calls only for risk estimations, which tend to be more stable as a forecasting measure. Furthermore, risk parity portfolios offer arguably better risk diversification than simple equally weighted portfolios by taking into account the difference in risk characteristics of the assets in a portfolio.

¹ Chaves, D., Hsu, J., Li, F. and Shakernia, O., 2011. Risk parity portfolio vs. other asset allocation heuristic portfolios. *The Journal of Investing*, 20(1), pp.108-118.

Gainy is further enhancing the risk parity approach by including in the optimization function various measures related to the overall diversification of the portfolio and controlling for the portfolio's relative volatility (beta).

Gainy periodically reviews the tradeable universe of stocks and cryptocurrencies and creates groups related by their exposure to a certain investment topic. Then, we further filter the groups using traditional fundamental and technical characteristics to ensure adequate liquidity of assets. Next, Gainy uses its proprietary optimization algorithm based on risk parity to create model portfolios.

Gainy continuously monitors clients' portfolios and periodically rebalances them back to the model portfolio weights using DriveWealth autopilot technology. Although we aim to maintain a low turnover of assets in the portfolio, the rebalancing still may lead clients to incur capital gains, and in certain instances significant capital gains. Gainy assumes no responsibility to its clients for any tax consequences of any transaction, including any capital gains that may result from the rebalancing of client accounts.

Long-Term Investment Philosophy

Gainy adheres to a long-term investment approach. While Gainy reserves the right to act otherwise if it feels that it is in the best interests of its clients, we do not try to time the market and in general, Gainy does not react to market movements in managing client accounts other than through rebalancing and portfolio optimization. Gainy relies on numerous academic and industry studies showing that short-term fluctuations of the market do not make a significant impact on the long-term wealth accumulation, e.g. Siegel (2021)².

Customized Portfolios

Gainy suggests TTFs as a primary tool for building a portfolio on the platform. The composition of each individual TTF is set by Gainy and cannot be changed by the client. However, the clients have the option to include single stocks, ETFs, and/or cryptocurrencies in their overall portfolio managed by Gainy. Based on clients' investment interests and risk profiles, we calculate Match Scores for every single stock or cryptocurrency tradable on the platform. The Match Score together with the fundamental and technical data provided by Gainy on its mobile platform is aimed at guiding clients in making an educated investment decision when adding single assets to their investment portfolio.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. While the market may increase and your investments could enjoy a gain, it is also possible that the market may decrease, and your investments could suffer a loss. It is important that clients understand the risks associated with investing and appropriately diversify their investments.

Gainy 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. When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risk items, each of which may affect the probability of adverse consequences and the magnitude of any potential losses. The following list of potential risks is not exhaustive but should be considered carefully by a prospective client before retaining Gainy's services. These risks should be considered as

² Siegel, J.J., 2021. *Stocks for the long run: The definitive guide to financial market returns & long-term investment strategies*. McGraw-Hill Education.

possibilities, with additional regard to their actual probability of occurring and the effect on a client if there is in fact an occurrence.

Description of Material Risks of the Investments We Analyze

General Equity Market Risk – Overall stock market risks may affect the value of equity investments. Factors such as U.S. economic growth and market conditions, interest rates, and political events affect the equity markets.

Fixed Income Risk - There is a risk that issuers of fixed income securities and counterparties will not make interest and/or principal payments on the securities they issue or that their payments will not be made when due. In addition, the credit quality of securities may be lowered if an issuer's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security, and that may affect liquidity and the ability to sell the security.

Cryptocurrency Risk – “Cryptocurrency” means a digital representation of value (whether or not characterized as a cryptographic token, coin, or unit) that (1) is not generally issued by a central bank or a public authority and is not generally governed by a centralized issuer or administrator (i.e., is decentralized), (2) relies on cryptographic protocols and distributed ledger network technology, (3) is not attached to but may be converted into one or more fiat currencies (and vice versa), (4) does not constitute a “security” as defined in the Securities Act (as discussed below), and (5) is in some cases accepted as a means of payment and can be transferred, stored or traded electronically. Examples of well-known cryptocurrencies include Bitcoin, Bitcoin Cash, Ethereum and Litecoin. Cryptocurrencies are a relatively new and highly speculative asset. Cryptocurrencies are extremely volatile, and investment results may vary substantially over time. These instruments involve substantially more risk and potential for loss relative to more conventional financial instruments, such as stocks, bonds, and derivatives referencing more conventional asset classes. Investments of this type should be considered substantially more speculative and significantly more likely to result in a total loss of capital than many other investments. These risks should generally be considered relevant to both spot and derivative cryptocurrency transactions, as applicable, unless otherwise specified.

Exchange Traded Fund (ETF) Risk – ETFs typically trade on a securities exchange and the prices of their shares fluctuate throughout the day based on supply and demand, which may not correlate to their net asset values. Although ETF shares will be listed on an exchange, there can be no guarantee that an active trading market will develop or continue. Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. ETFs are also subject to secondary market trading risks. In addition, an ETF designed to track an index may not replicate exactly the performance of the index for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain securities in the secondary market, or discrepancies between the ETF and the index with respect to weighting of securities or number of securities held.

Advisory Risk - There is no guarantee that Gainy’s judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. It is possible that clients or Gainy may experience an equipment failure, loss of internet access, or other events that may impair access to Gainy software-based investment advisory service. Gainy and its representatives are not responsible to any client for losses unless caused by Gainy’s breach of its fiduciary duty.

Software Risk - Gainy delivers its investment advisory services entirely through software. Consequently, Gainy rigorously designs, develops, and tests its software extensively before putting such software into production with actual client accounts and assets and periodically monitors the behaviors of such software after its deployment. Notwithstanding this rigorous design, development, testing, and monitoring, it is possible that such software may not always perform exactly as intended or as disclosed on Gainy's site, mobile app, blogs, or other Gainy disclosure documents, especially in certain combinations of unusual circumstances. Gainy strives to monitor, detect and correct any software that does not perform as expected or as disclosed, but cannot guarantee an interrupted and error-free performance of the software.

Volatility and Correlation Risk - Gainy's security selection process and Match Score calculations are based in part on a careful evaluation of past price performance and volatility to evaluate future probabilities. It is possible that different or unrelated asset classes may exhibit similar price changes in similar directions which may adversely affect a client's account and may become more acute in times of market upheaval or high volatility. Past performance is no guarantee of future results, and any historical returns, expected returns, or probability projections may not reflect actual future performance.

Liquidity and Valuation Risk - Gainy considers the liquidity of assets while including them in TTFs or offering them on the platform. However, high volatility and/or the lack of deep and active liquid markets for an asset may prevent a client from selling their assets at all, or at an advantageous time or price because Gainy's executing broker-dealer may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. Some securities (including ETFs) that hold or trade financial instruments may be adversely affected by liquidity issues as they manage their portfolios. While Gainy values the securities held in client accounts based on reasonably available exchange-traded security data, Gainy may from time to time receive or use inaccurate data, which could adversely affect security valuations, transaction size for purchases or sales, and/or the resulting advisory fees paid by a client to Gainy.

Counterparty risk - Gainy cannot control, and clients are exposed to the risk that, financial intermediaries or security issuers may experience adverse economic consequences that may include impaired credit ratings, default, bankruptcy, or insolvency, any of which may affect portfolio values or management. This risk applies to assets on deposit with any broker-dealer, notwithstanding asset segregation and insurance requirements that are beneficial to broker-dealer clients generally. In addition, exchange trading venues or trade settlement and clearing intermediaries could experience adverse events that may temporarily or permanently limit trading or adversely affect the value of client securities. Finally, any issuer of securities may experience a credit event that could impair or erase the value of the issuer's securities held by a client.

Legislative Risk - Portfolio performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment adviser / financial advisor or securities trading regulation; change in the US government's guarantee of the ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations. Gainy does not engage in tax planning, and in certain circumstances, a client may incur taxable income on their investments without a cash distribution to pay the tax due.

Tax Risk - **Clients should confer with their personal tax advisor regarding the tax consequences of investing with Gainy.** Clients and their personal tax advisors are responsible for how the transactions in the client's account are reported to the Internal Revenue Service ("IRS") or any other taxing authority. Gainy assumes no responsibility to clients for the tax consequences of any transaction, including any capital gains and/or wash sales.

Potentially High Levels of Trading Risk - Certain situations, such as the simultaneous receipt of a high volume of client deposits or withdrawal requests, can lead Gainy to engage in high levels of trading. High levels of trading could result in bid-ask spread expense, trade executions that may occur at prices beyond the bid-ask spread, trading that may adversely move prices, such that subsequent transactions occur at worse prices, trading that may disqualify some dividends from qualified dividend treatment, unfulfilled orders or portfolio drift, in the event that markets are disorderly or trading halts altogether, and unforeseen trading errors.

Foreign Investing and Emerging Markets Risk - Although Gainy does not provide capabilities to trade foreign securities on its platform, some assets, for example, ETFs that have high exposure to foreign securities, may bear foreign investment and emerging market risks. Foreign investing involves risks not typically associated with US investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social, and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the US, such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than US accounting practices, and foreign regulation may be inadequate or irregular.

Socially Responsible Investing Risk - Some of Gainy's TTFs are focused on ESG/Socially responsible investments or other social causes. Clients who select these TTFs may choose such investments based on their benefit to society or a particular cause, rather than profits or intrinsic value alone. This may result in lower returns for the client compared to other assets. This may also reduce a client's portfolio exposure to certain sectors or types of investments, which could negatively impact the client's portfolio performance. Furthermore, a client may disagree with the ESG/SRI classification of an issuer. ESG/SRI norms differ by region, and an issuer's practices may change over time. Accordingly, if an investment no longer meets the criteria for ESG/SRI, Gainy may be required to sell the investment at a disadvantageous price or time.

Inflation, Currency, and Interest Rate Risks - Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of exchange-traded assets to decline. In addition, the relative value of the US dollar-denominated assets primarily managed by Gainy may be affected by the risk that currency devaluations affect client purchasing power.

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 legal or disciplinary events to report³.

Item 10: Other Financial Industry Activities & Affiliations

We are obligated to disclose if we, any of our employees and independent contractors, or any of our affiliates are involved in other financial industry activities, such as those of a broker-dealer, commodity pool operator or a futures commission merchant. We are also obligated to disclose if we receive compensation from other advisers for recommending or selecting those advisers.

We do not have any other financial industry activities or affiliations to report. In addition, we do not receive compensation from other advisers for recommending or selecting them.

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

We expect our supervised persons to always act in the best interest of our clients, and to place the interests of our clients ahead of their own. We have adopted a Code of Ethics (the “Code”) that sets forth the standard of business conduct expected from each member of our team.

The Code restricts trading in any security for which we believe we may be privy to material non-public information. It also restricts personal trading activities to prevent any conflict of interest between personal trading and the investments selected for clients by our algorithm. The Code limits gifts and entertainment, whether received or given, to avoid conflicts of interests. The Code causes all outside business activities of our team members to be disclosed so that potential conflicts can be detected and addressed. Finally, it limits the political contributions of our managers and employees to prevent any potential conflicts in that area as well. All our managers and employees must accept in writing the terms of the Code upon employment, annually, and as amended.

We will provide a copy of the Code to any client or prospective client upon request by contacting the firm's Chief Compliance Officer at the telephone number or the physical or email address specified on the cover page of this brochure.

³ We note that registered advisors are required to report, in Part 1A of Form ADV, all disciplinary events regardless of whether they are material. We have no disciplinary events of any kind to report.

Item 12: Brokerage Practices

The investments are executed through brokerage accounts that all clients open with DriveWealth, a brokerage company and a member of FINRA.

We do not accept directed brokerage arrangements for Gainy Advisory services. In seeking the best execution, the determinative factor is not just cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the Broker's services. The appointment of a registered broker-dealer as the sole Broker for your accounts may result in less favorable executions than may be available through the use of a different broker-dealer.

DriveWealth is not affiliated with Gainy. When opening an account on the Gainy mobile platform, all clients simultaneously enter into an advisory agreement with Gainy and a brokerage and custody agreement with DriveWealth.

Item 13: Review of Accounts

Gainy provides all clients with continuous access via Gainy's mobile app to documents, such as account statements, and reviews their time-weighted and money-weighted returns. Clients may also receive periodic e-mail communications describing portfolio performance, account information, and product features.

Gainy assumes that a client's portfolio will not stay optimized over time and must be periodically rebalanced back to its target allocations to maintain its target level of risk. Gainy reviews each client's account when it is opened and using software continuously monitors and periodically rebalances each client's portfolio.

Gainy also conducts reviews when clients make changes to their risk profiles or investment interests. On a periodic basis, Gainy contacts each client to remind them to review and update the personal profile information they previously provided. Gainy 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 on Gainy mobile platform.

On a periodic basis, Gainy contacts each client to remind them to review and update the investment profile information they previously provided. Gainy also requests that clients reconfirm the same information on an annual basis.

Gainy conducts separate reviews related to the TTFs and other investments used for client portfolios. Gainy's Investment Committee, a committee of certain Gainy officers who are not members of the investment research team, approves these reviews. The committee has the authority, if necessary, to remove, add, amend, or replace a TTF or other investments from the portfolios advised by Gainy.

Item 14: Client Referrals & Other Compensation

Economic Benefits

Our firm does not have any arrangements with any non-client third parties in which the third party provides our firm with an economic benefit for providing investment advice or other advisory services to our clients.

Gainy expects from time to time to run promotional campaigns to measure interest and to attract clients to open accounts on the platform. These promotions may include additional account services or products offered on a limited basis to select clients, different fee arrangement structures, which could include more favorable fee arrangements, reduced or waived advisory fees for clients, and/or periodic, flat fees for certain advisory or account services. Gainy may also invite non-clients to open an account on the Gainy mobile platform without providing advisory services to such users.

These arrangements may create an incentive for a third party or another existing client to refer prospective clients to Gainy, even if the third party would otherwise not make the referral. These arrangements may also create a conflict of interest for a client to maintain a certain level of assets managed through Gainy if doing so would result in eligibility to receive an incentive, bonus, or additional compensation.

Referral Fees

Currently, Gainy has certain arrangements in which it pays advertisers, bloggers and others who post advertisements for Gainy a flat fee per client responding to such advertisements, who opens an account on the platform regardless of whether said client funds the account. Additionally, Gainy may provide Gainy's clients compensation as a promotional offer to open accounts at Gainy.

Item 15: Custody

When opening an account on Gainy mobile platform and engaging Gainy as their investment advisor, clients also enter into a custodial agreement with DriveWealth, a broker-dealer not affiliated with Gainy. Your funds and securities will be held with an independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period.

You should carefully compare any statements you receive from us with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact us.

Item 16: Investment Discretion

Gainy requires that a client who decides to retain Gainy as their investment adviser complete and execute an Advisory Client Agreement. Under the terms of the Advisory Client Agreement, Gainy assumes limited discretionary trading and investment authority over the client's assets in accounts held with DriveWealth. A client may choose one or several model portfolios (TTFs) that they want to be created in their accounts. Gainy, on clients' behalf, will buy the corresponding fractional shares to closely recreate the model portfolios in clients' account and will automatically rebalance them when model portfolios change or if the client portfolio deviates from the model one.

Clients can also instruct Gainy to buy single securities on their behalf.

A client should understand that subject only to Gainy's fiduciary duties, Gainy's limited discretionary trading and investment authority over the client's assets in Managed Accounts held at DriveWealth means that the timing, quantity, and identity of securities to buy and sell on behalf of the client is completely within Gainy's discretionary authority. While Gainy seeks to respond to client deposits, client withdrawal requests, including without limitation requests in connection with terminations, client changes in risk profiles, client changes to the portfolio allocation, and other reasonable client requests in a timely and reasonable manner, Gainy does not represent or guarantee that Gainy will respond to any such client actions or requests immediately or in accordance with a set time schedule. Further, Gainy is not responsible to clients for any failures, delays and/or interruptions in the timely or proper execution of trades or any other trading instructions placed by Gainy on behalf of clients through DriveWealth due to any reason or no reason, including without limitation any or all of the following, which are likely to happen from time to time: (A) any kind of interruption of the services provided by DriveWealth or its clearing or executing broker-dealers or Gainy's ability to communicate with DriveWealth or its clearing or executing broker-dealers (B) hardware or software malfunction, failure or unavailability; (C) Gainy system outages; (D) internet service failure or unavailability; (E) the actions of any governmental, judicial or regulatory body; and/or (F) force majeure.

Item 17: Voting Client Securities

Our firm does not accept the authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, our firm will forward them to the appropriate client and ask the party who sent them to mail them directly to the client in the future. While we do not assist clients with questions about proxy votes, we encourage you to contact your qualified custodian if you have such questions.

Item 18: Financial Information

In certain circumstances, registered investment advisers are required to provide clients or prospective clients with financial information or disclosures about their financial condition. We have no financial commitments that impair our ability to meet our contractual or fiduciary commitments to you, and we have never been the subject of any bankruptcy proceeding.