



Firm Brochure  
Part 2A of Form ADV March 27, 2023

55 Mystery Farm Road  
Cranston, RI 02921  
Phone: 401-351-4900  
eduard@GeaSphere.com www.GeaSphere.com

This brochure provides information about the qualifications and business practices of Gea Sphere, LLC. If you have any questions about the contents of this brochure, please contact us at 401-351-4900 or [eduard@GeaSphere.com](mailto:eduard@GeaSphere.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Gea Sphere, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our Firm's CRD number is 152001.

Gea Sphere, LLC is an SEC Registered Investment Advisor. Registration does not imply a certain level of skill or training.



## **Item 2: Material Changes**

As a registered investment adviser, we must ensure that our brochure is current and accurate and makes full disclosure of all material facts relating to the advisory relationship. If there have been any material changes to our business or advisory practices since our last annual update, we will provide a description of such material changes here.

No material changes.

We encourage you to read through our ADV Disclosure Brochure in its entirety to fully understand the services we provide and the associated fees.



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## **Item 4: Advisory Business**

Gea Sphere, LLC (hereinafter referred to as “Gea Sphere” or the “Firm” or “we” or “our”) is an investment adviser registered with U.S. Securities and Exchange Commission (“SEC”) and was registered with the State of Rhode Island from 2009 through 2021. In September 2021, the Firm became registered with the SEC.

The Firm was founded in 2009 by Eduard Hamamjian. Prior to forming Gea Sphere, Mr. Hamamjian was a member of Global Equity Advisors LLC. Gea Sphere’s principal members are the following persons: (i.e., those individuals and/or entities controlling 25% or more of this company).

- Eduard Hamamjian, Managing Member, Portfolio Manager, Chief Compliance Officer
- Perchuhy Hamamjian, CFO and Member
- George Hamamjian, Financial Advisor and Insurance Specialist

In October 2021, Gea Sphere will become the investment adviser to Alpha Dog ETF (the “Alpha Dog Fund”). The Alpha Dog Fund is a non-diversified series of ETF Opportunities Trust, a Delaware statutory trust (the “Trust”). The Trust is registered as an open-end management investment company. The Trust is governed by its Board of Trustees (the “Board” or “Trustees”). The Alpha Dog Fund is listed on a national securities exchange (“NYSE Arca”) as Alpha Dog ETF. Gea Sphere will provide investment advisory services pursuant to an investment advisory agreement (the “Advisory Agreement”). Interested investors should refer to Alpha Dog Fund’s prospectus and Statement of Additional Information (“SAI”) for information regarding objectives, investments, time-horizon, risks, fees, and additional disclosures. Gea Sphere may recommend an investment in Alpha Dog Fund to certain clients based on their financial situations and investment objectives. When this occurs, a potential conflict of interest exists since Gea Sphere receives management fees for being the adviser to the Alpha Dog Fund and a client’s account assets. To address this potential conflict of interest, Gea Sphere will conduct training of its personnel, perform periodic review of the investment selections, provide appropriate disclosures, and implement applicable policies and procedures.

Under the terms of the Advisory Agreement, Gea Sphere manages the investment portfolio of the Alpha Dog Fund, subject to the policies adopted by the Trust’s Board of Trustees. In addition, Gea Sphere: (i) furnishes office space and all necessary office facilities, equipment, and executive personnel necessary for managing the assets of the Alpha Dog Fund; (ii) provides guidance and policy direction in connection with its daily management of the Alpha Dog Fund’s assets, subject to the authority of the Trust’s Board of Trustees; and (iii) is responsible for oversight of the Sub-Adviser. Under the Advisory Agreement, Gea Sphere assumes and pays, at its own expense and without reimbursement from the Trust, all ordinary expenses of the Alpha Dog Fund, except the fee paid to Gea Sphere pursuant to the Advisory Agreement, distribution fees or expenses under a Rule 12b-1 plan (if any), interest expenses, taxes, acquired fund fees and expenses, brokerage commissions and any other portfolio transaction related expenses and fees arising out of transactions effected



on behalf of the Alpha Dog Fund, credit facility fees and expenses, including interest expenses, and litigation and indemnification expenses and other extraordinary expenses not incurred in the ordinary course of the Fund's business. For its services with respect to the Alpha Dog Fund, Gea Sphere is entitled to receive an annual management fee 0.90%, calculated daily and payable monthly as a percentage of the Fund's average daily net assets.

Gea Sphere creates and manages model portfolios for its clients, other registered investment advisers and employer sponsors of retirement plans and Investment Exchanges. Gea Sphere provides portfolio management services where we manage money for clients who prefer an aggressive portfolio, a moderately aggressive portfolio, or a conservative portfolio. We also manage our client's money for growth and income purposes. Additionally, some of our clients may ask us, from time to time, for advice on how to allocate assets to their third-party retirement accounts. We do not have discretion over these third-party retirement accounts; however, we will provide asset allocation advice based on a larger portfolio and risk analysis to ensure our clients are receiving well-rounded investment advice for all their investment portfolios. The client has sole discretion over these third-party retirement accounts and can decide whether or not they want to follow our advice.

We provide financial planning where we recommend products and services that help clients reduce their taxable income. We provide cash flow analysis for retiree clients to help them identify their cash flow and then compare such cash flow to their expenses. For estate planning services, we help clients identify and ensure they have the appropriate documentation needed to maximize their tax savings and protection planning. We also assist clients with making appointments with estate planning attorneys and make sure their estate planning affairs are set up properly. Lastly, we provide general advisory services to clients who need advice regarding life changes or large purchases, etc. Some examples include advising clients on whether to buy or lease a vehicle; another example is advising clients on how to spend capital gains.

Gea Sphere evaluates each client's overall investment experience, financial goals, targeted retirement date and tolerance for market risk. Based on this information, Gea Sphere selects certain model investment portfolios for each client. An account typically consists of, but is not limited to, stocks, mutual funds, real estate investment trusts ("REITs"), exchange traded funds ("ETFs"), inverse ETFs, bonds, and bond funds. We hedge portfolios by buying inverse ETFs for a short-term basis to reduce portfolio drawdowns during market corrections. We also reduce model portfolio drawdowns by using our proprietary stock selection process of purchasing equities in pairs of sometimes non-correlating equities.

The Gea Sphere Analysis System ("System") and the Price to Free Cash Flow ("PFCF") research study principals are the foundation of our model construction and stock picking philosophy. The "Gea Sphere Analysis System" methodology offers a disciplined, rules-based, investment approach employing tactical asset class decisions within the guidelines of strategic boundaries. Our portfolio construction begins with our proprietary stock valuation process which includes fundamental and technical analysis. These methods are further defined in Item 8 of this Brochure.



Gea Sphere Manages the Alpha Dog ETF. The ETF trades on the New York Stock exchange under the ticker symbol RUFF. The ETF seeks to buy the leading stocks of the leading sectors using the Gea Sphere Analysis System. The ETF also seeks to hedge the portfolio against market corrections by buy or selling option contracts during market corrections. The ETF has a bias to new economy stocks and disruptive technologies. The ETF is the replacement of the Gea Sphere Core Growth model portfolio managed by Gea Sphere since 2011.

Gea Sphere manages 10 Core ETF model portfolios. These are fully diversified model portfolios that are built using low-cost ETFs and offer the full range of risk parameters for every type of investor. The selection ranges from the Gea Sphere Core EFT 100 to Gea Sphere Core ETF 10-90 and all combinations in between. These models are rebalanced and revalued annually to overweight leading domestic and international sectors that are emerging and leading and simultaneously under-weighting declining domestic and international sectors on an annual basis. These funds are designed to be stand-alone fully diversified portfolios. Gea Sphere offers these model portfolios to clients of Mid-Atlantic Trust Company ("Mid-Atlantic"). Gea Sphere does not interact directly with clients on the Mid- Atlantic platform. Mid-Atlantic provides trust and custody solutions for retirement plans and other accounts.

Gea Sphere will assign Clients one or more of the 10 Core ETF model portfolios based on a client's individual Riskalyze Score, which ranges from 10-100. This score is calculated based on the client's responses provided in the completed Risk Questionnaire. Clients can contact their adviser for additional information on factors that impact a client's Riskalyze Score and subsequent model assignment.

Gea Sphere monitors the performance of Gea Sphere model portfolios against relevant benchmarks. Additionally, Gea Sphere monitors performance against the relative risk of the models to determine whether the characteristics of those models are suited to the clients.

The 10 Core ETF model portfolios are listed below. The first number represents the percentage of stocks and the second number represents the percentage of bonds and bond-like instruments. Each 10 Core ETF model portfolio is fully diversified throughout.

#### Aggressive Growth Category

- Gea Sphere Core ETF 100
- Gea Sphere Core ETF 90-10
- Gea Sphere Core ETF 80-20

#### Moderate Aggressive Category

- Gea Sphere Core ETF 70-30
- Gea Sphere Core ETF 60-40

#### Moderate Category

##### Gea Sphere Core ETF 50-50

- Gea Sphere Core ETF 40-60

#### Conservative Category



- Gea Sphere Core ETF 30-70
- Gea Sphere Core ETF 20-80
- Gea Sphere Core ETF 10-90

Gea Sphere also offers five individual rules-based models each of which use the Gea Sphere Analysis System, and which are further described below:

- Gea Sphere Bond Portfolio buys ETFs and fixed income instruments including inverse ETFs and seeks to reduce risk and protect portfolio values during periods of volatility. Gea Sphere's Analysis System is used along with the strategic allocation method to provide an over and underweight fixed income class of investments.
- Gea Sphere High Income Portfolio buys equities and other instruments like REITS or high yielding bonds strategically invested to produce above average income used by clients for living expense. This is an actively managed portfolio designed to help clients with above average income requirements or needs, in exchange for potentially higher risk.
- In October 2021, Alpha Dog ETF will replace the Gea Sphere Core Growth Portfolio. The ETF is an actively traded portfolio where it purchases stocks of leading sectors and stocks leading those sectors using the Gea Sphere Analysis System. The objective of the ETF is aggressive growth. The ETF will have no more than 50 securities with a new economy bias. Option contracts will be used on occasion to reduce risk and protect principal against market corrections.
- Gea Sphere Dividend Grower Portfolio invests in 30 large or mid cap stocks that meet the Gea Sphere price to free cash flow criteria for value. The use of strategic asset allocation to reduce volatility and improve returns over time. This is a tax efficient portfolio as there is low turnover. All stocks in the portfolio have a history of raising dividends and also meet the strict criteria of the Gea Sphere Analysis System for free cash flow to determine the value of equities.
- Gea Sphere PFCF Dow Portfolio invests only in stocks of the Dow Jones Industrial Average each year that meet our strict criteria of The Gea Sphere Analysis System as explained in the Firm's empirical study of Price to Free Cash Flow.

Gea Sphere's financial planning, cash flow analysis, estate planning and general advisory services are optional and are offered as a free service through eMoney's Wealth Management Technology Platform. This platform evaluates each client's overall investment experience, financial goals, targeted retirement date and tolerance for market risk. Gea Sphere also offers tax advice through other professional affiliates. Gea Sphere may also coordinate with other legal professionals for its estate planning services.



## **Amount of Managed Assets**

As of December 31, 2022, assets under management were approximately \$80,500,000 managed on discretionary basis and 5,550,000 with mid-Atlantic platform on a non-discretionary basis for a total of \$85,700,000 of regulatory assets under management.

## **Item 5: Fees and Compensation**

### **Model Portfolio Management Fees**

The annualized fee for Model Portfolio Management Services will be charged as a percentage of assets under management, according to the fee schedule listed below. The fee is prorated and is paid monthly as determined by us, in arrears, based upon the market value of the assets on the last day of the previous month as valued by the custodian. The fee for the initial month shall be calculated on a pro rata basis commencing on the day the assets are initially designated to us for management under our advisory agreement. No portion of the fee shall be based on capital gains or capital appreciation of the assets except as provided herein and provided for under the Investment Advisers Act of 1940, as amended (the "Advisers Act") and analogous state securities laws. No increase in the advisory fee shall be effective without prior written notification to you.

If assets are deposited into an account after the inception of a month that exceeds \$10,000, the fee payable with respect to the assets will be prorated based on the number of days remaining in the month. Clients may withdraw assets from the account after providing us with notice. All withdrawals are subject to customary securities settlement procedures.

Gea Sphere's fee billing information is as follows:

1.25% for \$0.00 to \$500,000  
1.00% for \$500,001 to \$1,000,000  
0.90% for \$1,000,001 to \$3,000,000  
0.75% for \$3,000,001 to \$10,000,000  
0.50% for \$10,000,001 and more

Clients have entered into a separate brokerage account agreement with Schwab Institutional, TD Ameritrade, and Folio Institutional that describes their fees and services. It is important to note that we are currently not recommending clients to TD Ameritrade or Folio Institutional as we are only working with Schwab. The majority of our client accounts were transferred earlier this year from TD and Folio to Schwab. Only a handful of accounts remain with TD Ameritrade and Folio Institutional.

Gea Sphere receives a fee of 0.5% for the management of assets from Mid-Atlantic for each account that uses Gea Sphere's model portfolio services. These accounts are typically 401k participants working with the plan sponsor and the plan investment advisor. Gea Sphere does not interact directly with any of the clients of Mid Atlantic.





The billing mode is in arrears and monthly for all accounts.

Certain fees may be deferred or waived from time to time or may be negotiable at the discretion of Gea Sphere.

Our fees are billed monthly in arrears at the end of each month based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous billing period. Consequently, all clients will receive invoices on the first of every month that will contain detailed itemized fees and expenses. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement. Clients authorize us to invoice the custodian for the management fee and direct and authorize the custodian to deduct the amount stated in the fee statement from client's Account. It will be the client's responsibility to verify the accuracy of the calculation of the management fee and will acknowledge that the custodian will not determine whether the management fee is accurate or properly calculated.

We charge fees in arrears on a monthly basis, so we only charge for services provided. Clients can leave at any time and they will only be charged for the prorated services already provided.

## **Mutual Fund Fees**

Fees paid to Gea Sphere for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our Firm which are designed, among other things, to assist the client in selecting mutual funds that we believe to be appropriate for the client's financial condition and objectives. Clients should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

## **Other Compensation and Expenses**

Representatives of Gea Sphere may also receive compensation from the insurance company for the sale of insurance products that is separate from the Management Fees discussed above. This may present a conflict of interest due to the financial incentive to recommend such investments based on the compensation received, rather than on the clients' needs. Generally, the conflict is addressed by disclosing the fact that the client is purchasing an investment that is separate from the services of Gea Sphere, and for which representatives of Gea Sphere receive a commission. Clients may also pay additional fees to the insurance for various expenses. It is important however that Gea Sphere will take into consideration a client's insurance needs in the context of an overall investment strategy



when evaluating a client's needs. Additional information may be found in the section Other Financial Industry Activities and Affiliations (Item 10).

Clients should understand that they have the option to purchase investment products that Gea Sphere recommends through other insurance brokers or agencies that are not affiliated with Gea Sphere.

Gea Sphere provides current clients with complimentary financial planning services. We reserve the right to charge for these services but have not charged any client to date.

## **Fund Management**

Gea Sphere serves as investment adviser to Alpha Dog Fund, a fund registered under the Investment Company Act of 1940. For its services with respect to the Alpha Dog Fund, Gea Sphere is entitled to receive an annual management fee 0.90%, calculated daily and payable monthly as a percentage of the Fund's average daily net assets. Moreover, Gea Sphere will receive advisory and other fees and expenses from the fund based upon the value of the fund's assets; those fees are described in the fund's prospectus and statement of additional information or other disclosure documents.

### **Item 6: Performance-Based Fees and Side-By-Side Management**

Neither Gea Sphere nor any of its supervised persons charge performance-based fees.

### **Item 7: Types of Clients**

Gea Sphere may provide advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High Net Worth Individuals
- Pension and Profit-Sharing Plans (other than plan participants)
- Corporations and other businesses
- Registered Investment Company

Gea Sphere's services are subject to a minimum account size. The minimum account is typically \$500,000 or more; however, Gea Sphere retains its right to accept clients with less funds on an individual basis.

If a client's account is a pension or other employee benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), Gea Sphere is typically deemed a fiduciary to the plan. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. In providing investment management services,



the sole standard of care imposed upon the Firm is to act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis**

The Gea Sphere Analysis System (“System”) and the Price to Free Cash Flow (“PFCF”) research study principals are the foundation of our model construction and stock picking philosophy. The “Gea Sphere Analysis System” methodology offers a disciplined, rules-based, investment approach employing tactical asset class decisions within the guidelines of strategic boundaries. Our portfolio construction begins with our proprietary stock valuation process which includes fundamental and technical analysis. While strategic asset allocation is implemented over the long term, tactical asset allocation allows Gea Sphere to make short-term deviations from asset weights assigned in strategic asset allocation strategy. Tactical asset allocation is an active management portfolio strategy that shifts the percentage of assets held in various categories to take advantage of market pricing anomalies or strong market sectors.

The Gea Sphere 60-year Price to Free Cash Flow (“PFCF”) empirical research study was vigorously back tested from the years 1950 to 2009 by exclusively using the stocks in the Dow Jones Industrial Average (DJIA) that met our proprietary free cash flow definition of value. The proprietary study and technical methodology is the first step to our portfolio construction and management of model portfolios. For complete details of the PFCF study, please contact Eduard Hamamjian at 401-351-4900 or [eduard@GeaSphere.com](mailto:eduard@GeaSphere.com).

The main goal of the Gea Sphere Analysis System is to buy securities that are priced at a discount to the historical relationship of the companies’ Price to Free Cash Flow. All of our model portfolios use our methods and historical data as a basis for our portfolio construction and management.

The three methods used in our analysis are:

- Price to Free Cash Flow - Current and Future Analysis of the free cash flow per share outstanding relative to the stock price.
- Past Highs and Lows of Free Cash Flow - Historical Analysis which compares the multiple of cash flow against the stocks historical multiple of cash flow to determine if the stock is overpriced or underpriced relative to its own history.
- Statistical Indicator Analysis - Historical Price Action and Pattern Recognition to determine the right entry and exit points of stock in our portfolio.



*Charting.* In this type of technical analysis, we review charts of market and security activity in an attempt to identify market direction, predict how long the trend may last, and when that trend might reverse.

*Fundamental Analysis.* We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate the broader market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

*Technical Analysis.* We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of Investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company.

*Cyclical Analysis.* In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

*Quantitative Analysis.* We use mathematical models in an attempt to obtain measurements of a company's quantifiable data, such as the value of share price or earnings per share and predict changes to that data. A risk in using quantitative analysis is that the models used maybe based on assumptions that prove to be incorrect.

*Qualitative Analysis.* We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

*Asset Allocation.* Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Risks for all forms of analysis: our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we may reasonably attempt to ascertain or rely on such data, that data may ultimately prove to be incorrect, there is a risk that our analysis may be compromised by inaccurate information.



## Risk of Loss

The value of securities and other investments may move up or down, sometimes rapidly and unpredictably. Securities markets can be volatile. A client account may at any point in time be worth less than its initial value. Regardless of how well an individual investment performs, if financial markets decline, you could lose money. Investment in specific securities involves risks of loss due to a variety of reasons but shouldn't be limited to the list below:

- Unexpected natural disasters
- Damage as the result of war and armed conflicts
- Unexpected loss of key corporate personnel
- Product recalls, manufacturing errors, loss of a major client without notice
- Introduction of new products that could render existing product lines obsolete.
- Patent suits that could cost millions of dollars in penalties
- The recall of defective products
- Government, state, or local laws that adversely impact the ability of a company to do business

Investing in stocks of individual companies involves inherent risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.

Debt securities can lose value because of interest rate changes. Changes in interest rates can also cause certain types of debt obligations to become subject to prepayment risk and extension risk. These include securities such as mortgage-backed securities and bonds with embedded call or put options. The issuer, the guarantor or the insurer of a fixed income security, or the counterparty to a contract, may be unable or unwilling to make timely principal and interest payments or to otherwise honor its obligations. Additionally, securities could lose value due to a loss of confidence in the ability of the issuer, guarantor, insurer, or counterparty to pay back debt. The longer the maturity and lower the credit quality of an instrument, the more likely its value will decline as a result of such a loss of confidence. From time to time, several issuers in a given industry may experience such difficulties simultaneously, making it difficult for issuers in that industry to roll-over obligations, to repay creditors or to obtain liquidity in the market.

Investing in securities of non-U.S. issuers may involve more risk than investing in securities of Issuers. Foreign political, economic, and legal systems, especially in developing and emerging countries, may be less stable and more volatile than the corresponding U.S. systems. Foreign legal systems generally have fewer regulatory requirements than the U.S. legal system. Certain foreign countries may impose restrictions on the ability of their issuers to make payments of principal and interest or dividends to investors located outside the country, due to blockage of foreign currency exchanges or otherwise. Investments in foreign securities may be subject to non-U.S. withholding and other taxes. Investments in emerging



markets are typically subject to greater volatility and price declines than investments in developed markets. In addition, investments in sovereign debt can involve a high degree of risk. A governmental entity's willingness or ability to repay principal and interest in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Assets in our client accounts may be denominated or quoted in currencies other than the base currency for the account. Accordingly, changes in currency exchange rates may affect the value of these client accounts. Generally, when the base currency of an account rises in value versus another currency, assets denominated in the non-base currency lose value because that currency is worth less than the base currency, and vice versa.

Investing in a fixed index life insurance policy has certain risks involved. Insurance policy projections are based on interest rate predictions and certain rates of return that may not actually occur. In addition, borrowing money to purchase such policies may result in the cost of borrowing to exceed the rate of return actually achieved by a particular policy.

Bond mutual fund investing involves four types of risk: interest rate risk, credit risk, prepayment risk, and inflation risk. Interest rate risk is the possibility that a bond's price will change due to a change in prevailing interest rates. Bond prices are closely related to interest rates. When interest rates go up, most bond prices go down. When interest rates go down, bond prices go up. Credit risk refers to the creditworthiness of the bond issuer and its expected ability to make timely interest payments and to pay the face value of the bond at maturity. If a bond issuer is unable to repay principal or interest on time, the bond is said to be in default. A decline in an issuer's credit rating, or creditworthiness, will cause the prices of its bonds to decline and may cause the share prices of a fund that holds the issuer's bonds to decline as well. Prepayment risk is the possibility that a bond owner will receive his or her principal investment back from the issuer prior to the bond's maturity date. This can happen when interest rates fall, and an existing bond is yielding above-market rates. Inflation risk is the danger that an increase in price levels will undermine the purchasing power of a bond's fixed interest payments.

Investments in mutual funds involves the following risks: Market risk: The risk that you will lose some or all of your principal. As markets fluctuate, there is always a possibility that the mutual funds you hold might be caught in a decline. Inflation risk: The risk of losing purchasing power. If your mutual funds gain 5% in a year and the cost of living goes up by 2%, you are left with a real return of only 3%. Interest rate risk: The risk that rising interest rates will cause your mutual funds to decline in value. When interest rates rise, bond prices decline, and bond mutual funds may also decline as a result. Currency risk: The risk that a decline in the exchange rate will reduce your gains (or add to losses). Even if the value of a foreign-currency-denominated fund goes up, a decline in the foreign currency can reduce your returns when they are exchanged back into Canadian dollars. Credit risk: The risk that the issuer of a bond or other security won't have enough money to make its interest payments or to redeem the bonds for face value when they are due. Securities with a higher risk of



default tend to pay higher returns.

Investing in ETFs carries inherent risk. Specifically, ETFs, depending on their underlying portfolio size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral and the liquidity of the supporting collateral. ETF Risks: Like traditional mutual funds, ETFs charge asset-based fees, but they generally do not charge initial sales charges or redemption fees and investors typically pay only customary brokerage fees to buy and sell ETF shares. The fees and costs charged by ETFs held in client accounts will not be deducted from the compensation the client pays the firm. ETF shares may trade above or below their net asset value (NAV), and a client account could lose money investing in an ETF if the prices of the securities owned by the ETF go down. In addition, the cost of owning shares of the ETF may exceed those a client would incur by directly investing in the underlying securities. ETFs are subject to these additional risks:

*Asset Class Risk.* Securities and other assets in an ETF's Underlying Index or in the ETF's portfolio may underperform in comparison to the general financial markets, a particular financial market or other asset classes.

*Authorized Participant Concentration Risk.* Only an Authorized Participant may engage in creation or redemption transactions directly with an ETF. The ETF has a limited number of institutions that may act as Authorized Participants on an agency basis (i.e., on behalf of other market participants). To the extent that Authorized Participants exit the business or are unable to proceed with creation or redemption orders with respect to the ETF and no other Authorized Participant is able to step forward to create or redeem Creation Units (as defined in the Prospectus), ETF shares may be more likely to trade at a premium or discount to NAV and possibly face trading halts or delisting.

*Shutdown Risk.* Each year, ETFs can get shutdown where the Fund is liquidated, and shareholders are paid in cash. The ETF will often realize capital gains during the liquidation process, which it will also pay out to the shareholders. The ETF will also incur transaction costs during the liquidation. The best indicators of closure risk are low assets under management; issuer strength; and rank in sector. Once the decision has been made to liquidate an ETF, a prospectus supplement will be delivered to shareholders stating the ETF's last trading date and liquidation date. It is advisable to sell any remaining shares you may be holding before the last day of trading.

*Index-Related Risk.* There is no guarantee that an ETF's investment results will have a high degree of correlation to those of the Underlying Index or that the ETF will achieve its investment objective. Market disruptions and regulatory restrictions could have an adverse effect on the ETF's ability to adjust its exposure to the required levels in order to track the Underlying Index. Errors in index data, index computations or the construction of the Underlying Index in accordance with its



methodology may occur from time to time and may not be identified and corrected by the Index Provider for a period of time or at all, which may have an adverse impact on the ETF and its shareholders.

*Price Fluctuation Risks.* ETFs may be bought and sold in the secondary market at market prices. The trading prices in the secondary market may differ from the ETF's daily net asset value per share and there may be times when the market price is more than the net asset value per share (premium) or less than the net asset value per share (discount). This risk is heightened in times of market volatility or period of steep market declines.

*Tracking Error Risk.* ETFs may be subject to tracking error, which is the divergence of performance from that of the Underlying Index. Tracking error may occur because of differences between the securities and other instruments held in the ETF's portfolio and those included in the Underlying Index, pricing differences, differences in transaction costs, the ETF's holding of cash, differences in timing of the accrual of or the valuation of dividends or interest, tax gains or losses, changes to the Underlying Index or the costs to the ETF of complying with various new or existing regulatory requirements. This risk may be heightened during times of increased market volatility or other unusual market conditions. Tracking error also may result because the ETF incurs fees and expenses, while the Underlying Index does not.

*Conflicts of Interest.* A conflict of interest may arise when a person acts in more than one capacity, and such conflict of interest may affect (whether in a positive manner or a negative manner) the performance of the ETF. Gea Sphere seeks to ensure it is able to appropriately and effectively identify and manage potential conflicts. It may manage potential conflicts through avoidance, establishing information barriers or acting with an appropriate level of independence and/or by providing appropriate disclosure of the conflict to affected clients. Such activity may or may not affect the performance of the ETF, but potential investors and counterparties should be aware that. Furthermore, Gea Sphere may receive remuneration from a fund management company or such other third party acting for and on behalf of an ETF. It is not our practice to buy and sell based on remuneration from such companies. Investment decisions are made independently.

Investing in leveraged fund ETFs may be more volatile than investing in broadly diversified funds. The use of leverage by an ETF fund increases the risk to the ETF fund. These investments are not suitable for all investors and should be utilized only by sophisticated investors who understand leverage risk, consequences of seeking daily leveraged, or daily inverse leveraged, investment results and intend to actively monitor and manage their investment. An investment in leveraged fund ETFs involves risk, including the possible loss of principal. These leveraged fund ETFs are non-diversified and include risks associated with concentration risk which results from investments in a particular industry or sector and can increase volatility over time. Active and frequent trading associated with a regular rebalance of a leveraged fund ETF can cause the price to fluctuate, therefore impacting its performance compared to other investment vehicles. Additional risks include correlation, compounding, market volatility and risks specific to an industry or sector.





Investing in securities involves risk of loss that clients should be prepared to bear.

## **Investment Strategies**

We use the following investment strategy(ies) in managing client accounts based on our assessment of the needs of the client, the client's investment objectives, risk tolerance, and time horizons, among other considerations:

*Long-term purchases.* we purchase securities with the idea of holding them in the client's account for a year or longer. A risk in a long-term purchase strategy is that by holding the security for this length of time, a client may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

*Short-term purchases.* when utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

*Short sales.* Short selling involves the sale of a security that is borrowed rather than owned. When a short sale is affected, the investor is expecting the price of the security to decline in value so that a purchase or closeout of the short sale can be affected at a significantly lower price. The primary risks of effecting short sales is the availability to borrow the stock, the unlimited potential for loss, and the requirement to fund any difference between the short credit balance and the market value of the security.

Investing in securities involves risk of loss that clients should be prepared to bear.

## **Key Person Risk**

Gea Sphere is heavily dependent on the activities, judgment, and availability of Eduard Hamamjian. Gea Sphere has contingency plans in the event of Mr. Hamamjian's short-term absence, but in the event of his death or permanent disability, Gea Sphere will continue operations under the direction of George Hamamjian, who is and has been in various levels of training and has a series 65 license. . Mr. George Hamamjian will fill the role of investment manager should Mr. Eduard Hamamjian die prematurely.

## **Item 9: Disciplinary Information**

Disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management.

There are no legal or disciplinary events to report.



## **Item 10: Other Financial Industry Activities and Affiliations**

As discussed in Item 5 above, representatives of Gea Sphere may also receive compensation from the sale of insurance products that is separate from the management fees charged. This may present a conflict of interest due to the financial incentive to recommend such investments based on the compensation received. Generally, the conflict if any is addressed by disclosing the fact that the client is purchasing an investment that is separate from the services of Gea Sphere, and for which a representative of Gea Sphere receives a commission. It is important however that Gea Sphere will take into consideration a client's insurance and future cash flow needs in the context of an overall investment strategy and estate plan when evaluating a client's needs. Assets for the insurance products are managed on a non-discretionary basis. Clients should understand that they are not required to purchase insurance products from Gea Sphere and/or its representatives. Clients have the option to purchase insurance products from other sources.

Gea Sphere sources these insurance products via a relationship with field marketing organizations such as Universal Financial Consultants ("UFC") and Back9 ("B9", together with "UFC", the "FMOs"). The FMOs offer insurance products and services to a variety of insurance agents or agencies. Consequently, our relationship with the FMOs allow us to offer various insurance products that are suitable for our clients' needs such as the Fix Index life products that we use from time to time to help our clients plan for tax free income in retirement. Gea Sphere does not compensate the FMOs but may receive compensation from the sale of insurance products, as stated in the paragraph above.

## **Fund Management**

Gea Sphere serves as investment adviser to a fund registered under the Investment Company Act of 1940. Gea Sphere will receive advisory and other fees and expenses from the fund based upon the value of the fund's assets; those fees are described in the fund's prospectus and statement of additional information or other disclosure documents.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Our Firm has adopted a Code of Ethics which all supervised persons are required to adhere to. The Code of Ethics places upon Gea Sphere and our personnel a duty of loyalty, fairness and good faith towards our clients, and an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code of Ethics.

Our Code of Ethics is designed to address and avoid potential conflicts of interest and sets forth a standard of business conduct and compliance for all employees. Our Code of Ethics includes policies and procedures for the review and reporting of personal securities transactions and violations and prohibits the use of material nonpublic information.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by sending an email to [eduard@GeaSphere.com](mailto:eduard@GeaSphere.com), or by calling us at



401- 351-4900.

In connection with personal trading, employees and family members are required as a condition of employment to invest personal funds only at Schwab under the direct management of Gea Sphere Model portfolios. Employees receive the same securities and the same pricing as all clients at the same time as clients do. Gea Sphere does not allow any other personal trading investments.

## **Item 12: Brokerage Practices**

Gea Sphere may require that clients establish brokerage accounts with certain broker-dealers to maintain custody of clients' assets and to effect trades for their accounts. Gea Sphere currently recommends Schwab Institutional to their clients. Gea Sphere is currently not recommending clients to TD Ameritrade because we are in the process of transferring our clients to Schwab. Factors that Gea Sphere considers in selecting a broker-dealer include, but are not limited to, the broker-dealer's financial strength, reputation, quality of execution and responsiveness, pricing, research and service. In deciding to use any broker-dealer, Gea Sphere's objective is not necessarily to obtain the lowest possible cost, but to obtain the best qualitative execution under the circumstances. As a result, the commissions and/or transaction fees charged by the broker-dealer may be higher or lower than those charged by other broker-dealers. Gea Sphere does not receive a portion fees or commissions charged by the broker-dealer.

Gea Sphere does not have any formal soft-dollar arrangements. However, Gea Sphere may benefit from services provided by the broker-dealer such as generic research reports, electronic delivery of client information, electronic trading platforms, and other incidental services provided by the broker-dealer for the benefit of the clients. Gea Sphere's receipt of these services for a discount or no charge may create an incentive for Gea Sphere to choose or continue to use a particular broker-dealer. Gea Sphere has examined this potential conflict of interest when choosing to enter into a relationship with the broker-dealer and has determined that the relationship is in the best interest of Gea Sphere's clients and is consistent with its client obligations, including the duty to seek best execution.

Transactions for each client account generally will be effected independently unless we decided to purchase or sell the same securities for several clients at approximately the same time. We may (but are not limited to) combine or "batch" such orders to obtain best execution, negotiate more favorable commission rates, or allocate equitably among our client differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among our clients in proportion to the purchase and sale orders placed for each client account on any given day. To the extent that we aggregate client orders for the purchase or sale of securities, we shall do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the Securities and Exchange Commission. We shall not receive any additional compensation or remuneration as a result of the aggregation. We shall endeavor to process all Account transactions in a timely manner, but do not represent nor warrant that any such transaction shall be processed or effected by the broker-dealer on the same day as requested.



Not all advisers require their clients to direct brokerage. By directing brokerage, you may be unable to achieve the most favorable execution of client transactions and this practice may cost clients more money. As a matter of policy and practice, Gea Sphere does not provide directed brokerage services to clients. Furthermore, Gea Sphere requires all trading in model portfolios to be executed by Gea Sphere portfolio managers and not by clients for its discretionary accounts for which Gea Sphere has Discretionary Authority (as defined under Item 16). We do not allow clients to trade in model portfolios. Gea Sphere does not direct brokerage transactions to broker/dealers in exchange for client referrals. Gea Sphere does not permit clients to direct brokerage to a broker-dealer.

### **Item 13: Review of Accounts**

Client accounts are reviewed at least annually. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. Accounts are reviewed by Eduard Hamamjian, Managing Member.

In addition to the periodic statements that clients receive from their broker-dealer/custodian, Gea Sphere may provide annual reports summarizing account performance, balances and holdings. We urge clients to compare these reports with the statements sent by the broker-dealer/custodian. Gea Sphere is in the process of providing all clients with client portals that clients can access at any time to receive performance reports and firm communications and notices.

### **Item 14: Client Referrals and Other Compensation**

Our Firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. We require all Solicitors to provide the prospective client with a copy of this document (our Firm Brochure) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our Firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- we do not allow our normal fees to be increased in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by Solicitors are not increased as a result of any referral.

From time to time, depending on a client's needs, Gea Sphere refers clients to Bailey and Company, an accounting firm, for tax services. Gea Sphere does not receive payment from Baily and Company for these referrals. Bailey and Company may also refer their clients to Gea Sphere for advisory services. The referral fee from Gea Sphere to Bailey and Company



is 50% of the asset management fee generated by the client's relationship with Gea Sphere.

Gea Sphere acknowledges that Bailey and Company is the accounting firm for Gea Sphere and Gea Sphere manages the investment assets of Bailey and Company. Gea Sphere has examined this potential conflict of interest with Bailey and Company and has determined that the relationship may be in the best interest of Gea Sphere's clients. Gea Sphere remains committed to its clients and its fiduciary obligations.

Gea Sphere has a verbal contract with Mr. Virendar Singh of Certified Tax Services, a CPA firm, for the referral of clients. From time to time, Gea Sphere will receive client referrals from Certified Tax Services. A referral fee is paid by Gea Sphere to Certified Tax Services for such client referrals.

### **Item 15: Custody**

Gea Sphere shall not maintain physical custody of client assets; client assets will be held in the custody of a custodian meeting the requirements of a "qualified custodian" under Rule 206(4)-2 of the Advisers Act. Clients will receive from the qualified custodian on at least a monthly basis a periodic statement that detail account activity for the given reporting period. Clients will also receive from us a monthly statement that provides performance and transaction information of their account. Clients should compare any account statements they receive from the qualified custodian with those statements that they receive from us. Clients should contact us directly if they believe that there may be an error in their statement.

### **Item 16: Investment Discretion**

Gea Sphere has received discretionary authority from its clients to manage client accounts in accordance with the firm's model portfolios described in Item 4 (the "Discretionary Authority"). Additionally, some of our clients may ask us, from time to time, for advice on how to allocate assets to their third-party retirement accounts. We do not have discretion over these third-party retirement accounts; however, we will provide asset allocation advice based on a portfolio and risk analysis to ensure our clients are receiving well-rounded investment advice for all their investment portfolios. The client has sole discretion over these third-party retirement accounts and can decide whether or not they want to follow our advice.

Our Discretionary Authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us Discretionary Authority when they sign a discretionary Client Services Agreement with our Firm (the "Agreement"). If a client needs limitations on our Discretionary Authority, we may not be able to accommodate such client as we cannot manage client's



funds in our models without discretion. Additionally, we do not offer clients the ability to opt out of certain securities if they are invested in our models. If clients require that ability, we can offer a custom model for only that client.

Via the Agreement, Clients appoint us as attorney-in-fact and grant us limited power-of-attorney and trading authority over their account(s). The client may revoke our Discretionary Authority in writing at any time. If a client revokes our Discretionary Authority, we will not be able to manage the client's account and the client ceases to be our client. In this instance we will also not provide investment advice to a client's third-party accounts over which we have no discretion (i.e., retirement accounts). If a client revokes our Discretionary Authority or trade securities on an account that is subject to a discretionary agreement, we will document and confirm such changes to the client in a written letter and keep such letter in the compliance files.

To the extent a client desires services outside the scope of our investment discretion, the specific nature of the services required shall be set forth in a separate written agreement for which services we shall be paid a separate and additional fee.

Gea Sphere also has the sole discretion to determine the broker-dealer to be used for a purchase or sale of securities for a client's account.

### **Item 17: Voting Client Securities**

We vote proxies for all client accounts unless instructed otherwise in writing by the client. With respect to ERISA accounts, we vote proxies unless the plan documents specifically reserve the plan sponsor's right to do so. We do not advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

Our objective is to vote proxies in the best interests of its clients and in accordance with our established policies and procedures. If our Firm has a conflict of interest in voting a particular action, we may notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our proxy voting policy, guidelines, and procedures, as well as the proxy voting records for that client's securities, by contacting Eduard Hamamjian by telephone at 401-351-4900, by email to [eduard@GeaSphere.com](mailto:eduard@GeaSphere.com), or in writing.

### **Item 18: Financial Information**

We do not require prepayment of more than \$500 in fees six months or more in advance. We have not been subject to a bankruptcy petition at any time during the past ten years. We do not have any financial conditions or impairments that would prevent us from meeting our



contractual commitments to our clients.