



**Firm Brochure**  
**Part 2A of Form ADV**

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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 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 a state-registered investment adviser with its principal place of business located in Rhode Island. Registration does not imply any level of skill or training.



## **Item 2: Material Changes**

Since the last annual update to Gea Sphere, LLC's ("GeaSphere") Firm Brochure dated March 26, 2015, there have been no material changes made to this Firm Brochure.

Minor changes have been made to this Brochure that are not discussed in this summary. Consequently, we encourage you to read the Brochure in its entirety.



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## **Item 4: Advisory Business**

Gea Sphere, LLC ("GeaSphere") is an investment adviser registered with the State of Rhode Island that was founded in 2009 by Eduard Hamamjian. Prior to forming GeaSphere, Mr. Hamamjian was a member of Global Equity Advisors LLC. GeaSphere's principal members are the following persons: (i.e., those individuals and/or entities controlling 25% or more of this company).

- Perchuhy Hamamjian, CFO and Member
- Eduard Hamamjian, Managing Member, Portfolio Manager

GeaSphere provides portfolio management, financial planning and advisory services to its clients. The services include, but are not limited to, personal financial planning and consulting, asset allocation, investment management and retirement planning for retirement and non-retirement accounts.

## **Individual Portfolio Management**

GeaSphere evaluates each client's overall investment experience, financial goals, targeted retirement date and tolerance for market risk. Based on this information, GeaSphere 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.

GeaSphere offers eight model portfolios, each with a range of investment risk. The portfolios are generally built around the following major objectives: Principal Protection using hedging strategies, Income, Growth and Income, and Aggressive Growth. GeaSphere may rebalance the portfolio models in its sole discretion.

GeaSphere Sector Rotation Portfolio invests in ETFs representing our view of the leading sectors of the U.S. and/or global economies. The primary objective is growth of principal. The portfolio uses various algorithms to determine sectors included and excluded in the portfolio.

GeaSphere REIT Portfolio invests in all aspects of the REIT universe to properly represent this asset class in larger asset allocation models.

GeaSphere Total Return Portfolio invests for income as its primary objective and growth as a secondary objective. The portfolio seeks to invest in relatively high dividend paying stocks and other securities that have a high dividend objective. The portfolio is often less volatile than the general market because of the asset allocation strategy and the use of various hedging strategies.

GeaSphere Core Portfolio is offered a growth portfolio. The portfolio is also offered as a long/short strategy with 80% long the core and 20% long/short ETFs using both inverse and leveraged ETFs. The portfolio is actively managed and buy stocks with rising revenues, increasing revenues and improving free cash flow relative to stock price in leading sectors as



determined by us.

GeaSphere Dow Portfolio buys primarily the stocks of the Dow Jones Industrial Average. The portfolio's objective is growth and is based on our 60-year price-to-free cash flow empirical research study.

GeaSphere Trader buys ETFs and options that are both long and short the market depending on our analysis of the futures markets. The Trader Portfolio aims to provide appropriate portfolios with a diversification during volatile periods, to protect principal value during market declines. The Trader portfolio may serve as an alternative asset class as part of a larger asset allocation model, or as a standalone strategy.

GeaSphere Bond Portfolio buys ETFs and fixed income instruments including inverse ETFs and seeks to protect portfolio values during periods of volatility.

GeaSphere High Income Portfolio buys securities with high dividends in all asset classes. The objective of the portfolio is high income. This is an actively managed portfolio designed to help clients with above average income needs, in exchange for potentially higher risk.

## **Amount of Managed Assets**

As of March 15, 2016, GeaSphere's regulatory assets under management were approximately \$41,000,000, all of which were managed on a discretionary basis.



## **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 following schedule:

- 1.80% for \$0.00 to \$250,000
- 1.50% for \$250,001 to \$500,000
- 1.25% for \$500,001 to \$1,000,000
- 1.15% for \$1,000,001 to \$3,000,000
- 1.00% for \$3,000,001 to \$10,000,000
- 0.75% for \$10,000,000 and more

The fees above include a 0.25% fee charged by Folio Institutional. Some clients enter into a separate brokerage account agreement with Folio Institutional that describes their fee and services. The Folio Institutional fee includes custody, tax reporting and all brokerage transactions cost within our model portfolios. Other clients have their assets custodied at TD Ameritrade and these accounts are charged for all trades and rebalances that occur within such accounts.

Our fees are billed monthly, in advance, at the beginning 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. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

### **Mutual Fund Fees**

Fees paid to GeaSphere 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 Fees and Expenses**

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and broker dealers, such as Ameritrade described above,



including, but not limited to, any transaction charges or commissions imposed by a broker dealer for effecting client trades, unless such client has a relationship with Folio Institutional, which charges the client an annualized fee of 0.25% regardless of the number of trades effected. Please refer to the "Brokerage Practices" section (Item 12) of this Brochure for additional information.

GeaSphere may also receive compensation from 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 GeaSphere, and for which GeaSphere receives a commission. It is important however that GeaSphere 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).



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

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





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

GeaSphere 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

GeaSphere's services are not subject to any minimum account size.



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

### **Methods of Analysis**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

The main goal of our 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 Revenue, Earnings, Free Cash Flow - Current and Future Analysis
- Cumulative Revenue, Earnings, Free Cash Flow - Historical Analysis of Revenues
- Statistical Indicator Analysis - Historical Price Action and Pattern Recognition

*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 a share price or earnings per share, and predict changes to that data. A risk in using quantitative analysis is that the models used may be 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 such as:

- 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
- There are ultimately too many risks to list, but at some point we all weigh the risks we take against the rewards we might receive.



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 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.

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 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.

## **Investment Strategies**

We use the following 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.

## **Key Person Risk**

GeaSphere is heavily dependent on the activities, judgment and availability of Eduard Hamamjian. GeaSphere has contingency plans in the event of Mr. Hamamjian's short-term absence, but in the event of his death or permanent disability, GeaSphere will begin an orderly wind down of its operations, which will include assisting its clients in either winding down their operations or finding a replacement investment manager, George Hamamjian. During that period of time, however, GeaSphere may be unable to perform its contractual obligations to clients.



## **Item 9: Disciplinary Information**

This item is not applicable.



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

As discussed in Item 5 above, GeaSphere 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 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 GeaSphere, and for which GeaSphere receives a commission. It is important however that GeaSphere will take into consideration a client's insurance needs in the context of an overall investment strategy when evaluating a client's needs. Generally, the conflict is addressed by disclosing the fact that the client is purchasing an investment which is separate from the services of GeaSphere, and for which GeaSphere receives a commission.



## **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 GeaSphere 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.

Our Code of Ethics includes policies and procedures for the review of personal securities transactions, and prohibits the use of material non-public 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.





## **Item 12: Brokerage Practices**

GeaSphere may require that clients establish brokerage accounts with certain broker-dealers to maintain custody of clients' assets and to effect trades for their accounts. Factors GeaSphere 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 making a determination to use any particular broker-dealer, GeaSphere'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. GeaSphere does not receive a portion fees or commissions charged by the broker-dealer.

GeaSphere does not have any formal soft-dollar arrangements. However, GeaSphere 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. GeaSphere's receipt of these services for a discount or no charge may create an incentive for GeaSphere to choose or continue to use a particular broker-dealer. GeaSphere 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 GeaSphere's clients and is consistent with its client obligations, including the duty to seek best execution.

GeaSphere requires that it be provided with written authority to determine the broker-dealer to use for client transactions and the commission costs that will be charged to our clients for these transactions.

As a matter of policy and practice, GeaSphere generally blocks client trades whenever possible. GeaSphere does not direct brokerage transactions to broker/dealers in exchange for client referrals. GeaSphere does not permit clients to direct brokerage to a broker/dealer.



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

### **Portfolio Management Services**

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, GeaSphere 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.



## **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.



## **Item 15: Custody**

All client funds and securities are held by a qualified custodian. Clients will receive from the qualified custodian on at least a quarterly basis periodic statements that detail account activity for the given reporting period. It is important for clients to carefully review their custodial statements to verify the accuracy of fee calculation, among other things. 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**

GeaSphere manages client accounts on a discretionary basis. 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.



## **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**

This item is not applicable.



## **Item 19: Requirements for State-Registered Advisers**

Our principal executive officers and management persons are:

Eduard Hamamjian, Managing Member and Perchuhy Hamamjian, CFO and Member. Additional information about Mr. Hamamjian may be found in the firm's Brochure Supplement, Form ADV Part 2B.

Perchuhy Hamamjian graduated from the Community College of Rhode Island with an associate's degree in business. Mrs. Hamamjian developed and operated three Jackson Hewitt tax franchises for about 8 years. She also served as the Chief Financial Officer of a family business that owned several restaurants and coffee shops for approximately 15 years.

### **Other Businesses:**

GeaSphere is also currently engaged in providing insurance to clients and spends a few hours per week involved in this business.

### **Performance-Based Compensation:**

GeaSphere and its supervised persons do not receive performance-based compensation.

### **Other Disclosures:**

None of our management persons have been found liable in any arbitration claim, civil, self-regulatory organization or administrative matter.

None of our management persons have any relationship or arrangement with any issuer of securities.