



## Deep Think Investments

Investing for a brighter financial future

### Form ADV Part 2A Firm Brochure January 20th, 2021

This Brochure provides information about the qualifications and business practices of Deep Think Investments, LLC. If you have any questions about the contents of this Brochure, please contact us at 512.422.2297 , or via email at [raj.tummala@deephinkininvestments.com](mailto:raj.tummala@deephinkininvestments.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. Deep Think Investments, LLC is a registered investment advisory firm. Registration of an investment advisory firm does not imply a particular level of skill or training. Additional information about Deep Think Investments, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## ***ITEM 2* Material Changes**

### Annual Update

The Material Changes section of this brochure will be updated annually, or when material changes occur since the previous release of our Firm Brochure. This Item discusses only specific material changes that are made to this Brochure and provides our clients with a summary of such changes.

### **Material Changes since the Last Update**

Information about Assets under management.

### **Full Brochure and Additional Information**

Full Brochure and additional information about Deep Think Investments, LLC are available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with us who are registered or are required to be registered, as investment adviser representatives ("IAR").



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## **ITEM 4 Advisory Business**

### **FIRM INFORMATION**

Deep Think Investments, LLC (“DTI,” “we,” “us,” “our”), a limited liability company formed in September 2019, is a registered investment advisory firm located in Leander, Texas. We have been a registered investment advisory firm since October 2019.

### **PRINCIPAL OWNERS**

DTI is owned and controlled by Rajesh “Raj” Tummala, its Managing Member and Chief Compliance Officer and Satyadeep “Deep” Tummala.

### **INVESTMENT ADVISORY SERVICES**

#### **Asset Management Services:**

We provide asset management services on a discretionary and non-discretionary basis, in which we manage your custodial accounts and provide you with continuous and ongoing supervision of your custodial accounts. Our services provide additional investment opportunities among stocks, bonds, mutual funds, exchange-traded funds (ETFs), Real Estate Investment Trusts (REITs), options, and additional securities.

#### **Financial Planning and Consulting Services:**

We provide various financial planning and consulting services that find ways to help you understand your overall financial situation and help you set financial objectives. We accomplish this by helping you review your financial goals, tax planning strategies, asset allocation, risk management, retirement planning, and other areas and objectives. Generally, such financial planning and consulting services will involve preparing a financial plan or rendering a financial consultation based on your financial goals and objectives. We will summarize our services to you in a written plan which will typically include general recommendations for a course of action or specific actions to be taken by you. Implementation of the recommendations will be at your discretion. We provide our financial planning and consulting services on either a project basis.

### **CLIENT INVESTMENT OBJECTIVES/RESTRICTIONS**

DTI offers the same suite of services to all our clients. However, specific client asset management services, financial plans, and their implementation are dependent upon the individual client’s Investment Policy Statement which outlines a client’s current financial situation such as income, net worth and risk tolerance levels. This information is essential in the development of a client-specific plan in the selection of investments that matches restrictions, needs, and targets. On a case by case basis, our clients may impose restrictions on investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent us from properly servicing the client’s account, or if the restrictions would require us to deviate from our standard suite of services, we reserve the right to end the relationship. We may request additional information and documentation such as current investments, tax returns, insurance policies, and estate plan. We will discuss

your investment objectives, needs, and goals, but you must inform us of any changes. Unless directed by you, we do not independently verify any information provided to us by you or your attorney, accountant or other professionals.

### **WRAP FEE PROGRAMS**

DTI does not participate in, recommend, or offer wrap fee programs.

### **ASSETS UNDER MANAGEMENT**

As of December 31st, 2020, DTI has \$9,827,989 (Nine million eight hundred and twenty seven thousand nine hundred and eighty nine US dollars) assets under management.

## **ITEM 5 Fees and Compensation**

### **ANNUAL FEES FOR ADVISORY SERVICES**

DTI is compensated for providing asset management services by charging a negotiable fee based on the total assets under management. The fees and billing will be pre-determined in writing in the Investment Advisory Agreement executed by you and DTI.

The fees charged for financial planning services are negotiable and vary depending on the complexity of the process undertaken, the types of issues addressed, the scope of services provided and the frequency with which the services are rendered. All fees are agreed upon before entering into the Financial Planning and Consulting Agreement you sign.


The below ranges are the standard fee ranges that are typically charged. We may waive the agreed upon financial planning fees if you engage our asset management services.

<b>Asset Management Fee Schedule</b>	
\$0 - \$1,000,000	1.00%
\$1,000,001 - \$5,000,000	0.80%
\$5,000,001 +	Negotiable

<b>Financial Planning and Consulting Fee Schedule</b>	
Fixed Fee	\$500 - \$5,000

### **FEE BILLING & PAYMENT**

Our asset management fees are annual fees and may be negotiable. Asset management fees are paid quarterly in arrears. Payments are due on the first day of the calendar quarter and are based on the account's asset value as of the last business day of the prior calendar quarter multiplied by the applicable annual rate



and divided by four (4). The fee for quarter is billed and payable within ten (10) days after the end of that quarter, based on the value of Client's account on the last business day of that quarter. We will deduct our asset management fee only when in receipt of your written authorization by executing an investment advisory agreement permitting the fees to be paid directly from your account. We will send a copy of your invoice to the custodian at the same time that we send a copy to you. The qualified custodian will deliver an account statement to you at least quarterly which will show all disbursements from your account. We urge you to review all statements for accuracy. Your account at the custodian may also be charged for certain additional assets managed for you by us but not held by the custodian (i.e., variable annuities, mutual funds, 401(k)s).

Financial planning and consulting fees may be assessed as a one-time project fee. Client agrees to pay the negotiated fee upon delivery of the plan. We will not require a fee of \$500 or more to be paid 6 months or more in advance. Financial planning and consulting fees are paid via check or credit card.

You are responsible for all third-party fees (i.e., custodian fees, mutual fund fees, transaction fees, etc.). These fees are separate and distinct from the fees and expenses charged by DTI.

### **TERMINATION OF AGREEMENT**

Either party may terminate the investment advisory agreement by providing 30-day advance written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable up to and including the effective date of termination.

Notwithstanding the above, if we do not deliver the appropriate disclosure statement to you at least 48 hours prior to you entering into any written or oral advisory contract with this us, then you have the right to terminate the contract without penalty within five (5) business days after entering into the contract.

### **OTHER EXPENSES AND FEES**

The fees discussed above include payment solely for the investment advisory services provided by us and are separate from certain fees or charges that are imposed by third parties in connection with investments made on your behalf for your account. Third-party fees may include markdowns, markups, brokerage commissions, other transaction costs and/or custodial fees.

Also, all fees paid to us for asset management services are separate from the expenses charged by exchange-traded funds and mutual funds to their shareholders. These fees and expenses will be used to pay management fees for the funds, other fund expenses, account administration, and a possible distribution fee. Exchanged traded funds and mutual funds can be invested directly by you without our services. However, you would not receive our services to assist you in determining which products or services are most suitable for your financial situation and objectives. You should review both the fees we charge and the fees charged by the fund(s) to understand the total fees to be paid fully.



## **ITEM 6 Performance-Based Fees and Side-By-Side Management**

We do not charge any performance-based fees which are fees based on a share of capital gains on or capital appreciation of your assets.

## **ITEM 7 Types of Clients**

We provide our investment advisory services to:

- Individuals
- High Net Worth Individuals
- Corporations
- Other business entities

We do not have a minimum account size for our asset management services.


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

### **METHODS OF ANALYSIS**

We use various methods of analysis and investment strategies including the following:

**Charting** - This is a type of technical analysis where we review various charts of market and security activity in an attempt to identify when the market is moving up or down and predicting how long trends may last and when that trends might reverse.

**Fundamental Analysis** – We evaluate economic and financial factors to determine if a security may be underpriced, overpriced or fairly priced. This method entails assessing a security by attempting to determine its intrinsic value by examining related financial, economic, and other qualitative and quantitative factors. Fundamental analysis requires an in-depth look at all factors that can affect the security's value, from macroeconomic factors (like the overall economy and industry conditions) to individually specific factors (like the financial situation and management of companies). The overall objective of performing the fundamental analysis is to determine a value that an investor can use to determine what sort of position to take with that security. This method of security analysis is contrary to technical analysis. Fundamental analysis involves using real data to evaluate a



security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

**Technical Analysis** – This method involves the evaluation of securities by performing an analysis of static information that is generated by market activity, such as past prices and volume. Technical analysis does not attempt to measure a security's intrinsic value but instead, use charts and other tools to determine the patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

**Modern Portfolio Theory** - Modern portfolio theory (MPT) is a risk-averse theory that involves the construction of portfolios to maximize and optimize expected return based on a given level of market risk, emphasizing that risk is an inherent part of higher reward. According to the theory, it's possible to construct an "efficient frontier" of optimal portfolios offering the maximum possible expected return for a given level of risk.

## INVESTMENT STRATEGIES

When formulating investment advice or managing client assets, we will use the following investment strategies. There are inherent risks associated with each of these strategies.

**Long-Term Strategy** - A long-term strategy may not take advantage of short-term gains or may experience more volatility over the life of the portfolio.

**Short-Term Strategy** - A short-term strategy may incur more trading and brokerage costs and runs the risk that certain anticipated market movements do not occur resulting in the client holding a security for longer than intended.

Your accounts are managed separately with your underlying investment strategies, restrictions, or investment limitations defined within the investment management agreement.

## POTENTIAL RISKS

Investing involves different levels of risk that can result in loss of any profits and/or principal you have not realized. We manage your account in a manner consistent with your pre-determined risk tolerance and suitability profile. However, we cannot guarantee that our efforts will be successful. Investing in securities involves the risk of loss clients should be prepared to bear.


### **Investing involves the assumption of risk including:**

**Financial Risk:** This is the risk that the companies we recommend to you perform poorly, which affect the price of your investment.

**Market Risk:** This is the risk that the stock market will decline, decreasing the value of the securities we recommend to you with it.

**Inflation Risk:** which is the risk that the rate of price increases in the economy deteriorates the returns associated with the stock.





**Political and Governmental Risk:** This is the risk that the value of your investment will be affected by the introduction of new laws or regulations.

**Interest Rate Risk:** which is the risk that the value of the investments we recommend to you will fall if interest rates rise.

**Call Risk:** This is the risk that your investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.

**Default Risk:** This is the risk that issuer is unable to pay the contractual interest or principal on the investment promptly or at all.

**Manager Risk:** This is the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.

**Industry Risk:** This is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.

## ***ITEM 9* Disciplinary Information**

As of the date of this brochure, we have not been subject to any disciplinary, legal, or regulatory events related to past or present investment clients. There has been no disciplinary, legal, or regulatory events related to us or any of our management persons.

## ***ITEM 10* Other Financial Activities and Affiliations**

### **FINANCIAL INDUSTRY ACTIVITIES**

Neither DTI nor its management persons are registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither DTI nor its management persons are registered or has an application pending to register as a futures commission merchant, commodity pool operator or commodity trading advisor.

### **AFFILIATIONS**

DTI does not have any financial industry affiliations.

### **SELECTION OF OTHER INVESTMENT ADVISERS**

We do not recommend or select other investment advisers for our clients.

## **ITEM 11 Code of Ethics, Participation in Client Transactions and Personal Trading**

### **CODE OF ETHICS**

DTI has developed a code of ethics that will apply to all of our supervised persons. We and our IARs must act in a fiduciary capacity when providing investment advisory services to you. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. DTI has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle of our code of ethics, which also covers our insider trading, and personal securities transactions policies and procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will acknowledge that they have read, understand and agree to comply with our Code of Ethics.

Our Code of Ethics is available to clients and prospective clients upon request.

### **RECOMMENDATIONS INVOLVING A MATERIAL FINANCIAL INTEREST**

Neither we nor any related person recommend to clients, or buys or sells for clients' accounts, securities in which we or a related person has a material financial interest.

### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

There may be instances where an IAR will recommend to investment advisory clients or prospective clients the purchase or sale of securities in which an IAR, its affiliates or other clients may also have a position or interest. Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis. Generally, in such circumstances, the affiliated and client accounts will share execution costs equally. Completed trade orders will be allocated according to the instructions from the initial trade order. Partially filled trade orders will be allocated on a pro-rata basis. Any exceptions will be explained in the trade order.

### **PERSONAL TRADING**

Employees are permitted to have personal securities accounts as long as personal investing practices are in line with fiduciary standards and regulatory requirements, and do not conflict with their duty to DTI and our clients. DTI monitors and controls personal trading through pre-approval of all personal securities transactions or blackout periods imposed upon employees trading in the same securities as DTI. We forbid any officer or employee, either personally or on behalf of others, to trade on material, nonpublic information or to communicate such information to others in violation of the law.

## **ITEM 12 Brokerage Practices**

We recommend broker-dealers for our clients to use in order to custody their accounts. The firms we recommend will be independent SEC-registered broker-dealers and members of FINRA and SIPC.

As a fiduciary, we are obligated to seek out the best execution of client transactions for that accounts that we manage. In general, the execution of securities transactions is at a total cost to process each transaction and are the most favorable under the circumstances. However, we do not limit the best execution to the lowest available price. Additional factors are taken into consideration when determining the arrangement and services in the selection of a broker-dealer or qualified custodian. Our review consists of reviewing the commission and fee structures of various broker-dealers, research platform, and execution services. Accordingly, while we do consider competitive rates, we do not necessarily obtain the lowest possible commission rates for account transactions. Therefore, the overall services provided by unaffiliated broker-dealers and qualified custodians are evaluated to determine the best execution. You may pay trade execution charges and higher commissions through the trading platforms approved by us than through platforms that have not been approved by us.

### **RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

We do not receive soft dollar benefits from broker-dealers.

### **BROKERAGE FOR CLIENT REFERRALS**

We do not receive client referrals from broker-dealers.

### **DIRECTED BROKERAGE**

Clients will be permitted to select any broker-dealer of their choosing. In these situations, we may be unable to achieve most favorable execution for client transactions. Directing brokerage may cost clients more money in that the client may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

### **TRADE AGGREGATION**

We do not aggregate trade orders.

## **ITEM 13 Review of Accounts**

### **PERIODIC REVIEWS**

We review asset management accounts monthly, quarterly, and/or annually as needed. These accounts will be reviewed by Raj Tummala. Accounts are reviewed to evaluate asset allocation, investment strategy and objectives, cash balance, and



performance as well as the general economic outlook and current investment trends.

Project-based financial planning clients are provided a one-time plan or consulting session and receive no additional reviews unless a new financial planning and consulting agreement is executed.

### **REVIEW TRIGGERS**

We conduct periodic reviews to evaluate current market, economic and political events and how these may affect client accounts. Additional reviews may be triggered by these events or by events in the client's financial or personal status.

### **REGULAR REPORTS**

Asset management clients will receive advisory account reports no less than quarterly. These reports show asset value by cash balances, security, unit cost, total cost, current per share values, etc. Clients are urged to review the quarterly reports provided by us with those provided by their custodian and notify us of any differences. Clients are encouraged to phone or email us as often as they deem necessary to receive information regarding the investment tactics and strategies being followed.

Project-based financial planning and consulting clients are provided a one-time written financial plan concerning their financial situation. After the presentation of the plan, there are no further reports.

## ***ITEM 14* Client Referrals and Other Compensation**

We do not pay a referral fee to third party solicitors.

## ***ITEM 15* Custody**

We are deemed to have custody of client funds and securities due to our ability to deduct management fees from clients' accounts. We will not take physical custody of clients' funds and will not assign or transfer trading authorization to another advisor. Clients will receive account statements from the qualified custodian(s) holding their funds and securities at least quarterly. The custodian's account statements will indicate the amount of our advisory fees deducted from the clients' account(s) each billing period. These statements should be carefully reviewed by the client for accuracy. Item 5 – Fees and Compensation has additional information regarding our ability to deduct management fees from clients' accounts.

## **ITEM 16 Investment Discretion**

### **DISCRETIONARY AUTHORITY FOR TRADING**

If you are participating in our asset management services, upon receiving your written authorization via our executed investment advisory agreement, we will maintain trading authorization over your designated account and may also implement trades on a discretionary basis.

When discretionary authority is granted, we will have the limited authority to determine the type of securities to be purchased, sold or exchanged and a number of securities that can be bought, sold or exchanged for your portfolio without obtaining your consent for each transaction.

If you do not grant this limited investment discretion, your IAR will be required to contact you and get affirmation regarding our investment recommendations such as the security being recommended, the number of shares, whether the security should be bought or sold before implementing changes in your account.

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, it is critical that you respond promptly. If we do not receive a response to our request immediately, the timing of trade implementation may lead to an adverse impact where we may not achieve the optimal trading price.

On a case by case basis, you may place reasonable restrictions on the types of investments that may be purchased or sold in your account so long as the restrictions are explicitly set forth or included as an attachment to the investment advisory agreement.

## **ITEM 17 Voting Client Securities**

We do not have the authority to vote proxies as it pertains to the issuers of securities held in your account. The responsibility for voting your securities places increased liability to us and does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting your securities.

Therefore, you are responsible for voting all proxies for securities held in accounts managed by us. Typically, our qualified custodian will forward you your proxy information. Although we do not vote your proxies, you can contact us if you have a question about a particular proxy.

## **ITEM 18 Financial Information**

We are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

We are currently not in, nor have been historically in a financially precarious situation or the subject of a bankruptcy petition.

## **ITEM 19 Requirements for State-Registered Advisers**

### **EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE OF PRINCIPAL OFFICERS**

Raj Tummala, managing member and Chief Compliance Officer, is the principal officer of DTI. Please see the brochure supplement supplied as Part 2B for information related to his educational and business background.

Satyadeep Tummala is the Chief Executive Manager of DTI. He received a Bachelor of Science in Psychology with a minor in Business Administration from the University of Oregon in 2018. Since graduating, he has not been formally employed but has managed his family's finances and investment accounts while working with local nonprofits and volunteering.

### **OTHER BUSINESS ACTIVITIES OF PRINCIPAL OFFICER**

Please see the brochure supplement supplied as Part 2B.

### **PERFORMANCE-BASED FEES**

DTI's IARs do not currently charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

### **DISCIPLINARY INFORMATION**

DTI's IARs are not subject to any arbitration claim or found liable in a civil, self-regulatory, or administrative proceeding.

### **MATERIAL RELATIONSHIPS WITH ISSUERS OF SECURITIES**

Neither DTI nor its IARs has any relationship or arrangement with issuers of securities.