

## Company Brochure - ADV Part 2A

Item 1 – Cover Page

### Bionic Capital LLC

**11620 Wilshire Blvd. – Suite 900**

**Los Angeles, CA 90025**

**(310) 734-8500**

**[www.bioniccapiatal.com](http://www.bioniccapiatal.com)**

dba Bionic Wealth Management - [www.bionicwm.com](http://www.bionicwm.com)

dba Bionic Financial - [www.bionicfinancial.com](http://www.bionicfinancial.com)

**May 28, 2018**

This Brochure provides information about the qualifications and business practices of Bionic Capital LLC [“Bionic Capital”]. If you have any questions about the contents of this Brochure, please contact us at 310-734-8500 or [info@bioniccapiatal.com](mailto:info@bioniccapiatal.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.

Bionic Capital is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information through which you determine to hire or retain an adviser.

Additional information about Bionic Capital is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Search by firm "Bionic Capital" or by firm CRD number 150240.

## Item 2 – Material Changes

Pursuant to SEC Rules, Bionic Capital ensures that clients receive our company Brochure, including a summary of any material changes, within 120 days of the close of our fiscal year.

We will provide you with a new Brochure as necessary based on material changes or new information, at any time, without charge. Our Brochure may be requested by contacting Dean Erickson, CFA, Manager and CEO, at 310-734-8500 or [dean@bioniccapiatal.com](mailto:dean@bioniccapiatal.com) and is available on our web site at [www.bioniccapiatal.com](http://www.bioniccapiatal.com).

Additional information about Bionic Capital is available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Bionic Capital who are registered, or are required to be registered, as investment adviser representatives of Bionic Capital.

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#### **Item 4 – Advisory Business**

Bionic Capital serves the investment and wealth management needs of individuals, families, foundations, endowments and other institutions. Currently, the firm provides investment advisory services primarily to non-institutional clients. Founded, owned and managed by Dean Erickson, CFA, Bionic Capital has been in business since July, 2009.

Bionic Capital advises on and manages public markets investments including stocks, bonds, exchange-traded funds [“ETFs”], mutual funds, options, structured products and other securities. We do not advise on nor do we offer private investments, including third-party hedge funds. We manage client assets on a discretionary basis only.

Each investment management solution, including diversification and asset allocation profile, is tailored to the specific client based upon their needs, goals, time horizons, and risk tolerances. Because of these and other factors, client portfolios may differ from one another and may differ substantially. Although we serve as a wealth management and problem-solving resource for every client, we do not hold ourselves out as financial planners.

We also consider non-investment-related factors in determining client solutions, including existing unrealized gains, tax brackets, and client preferences, among many others. Clients may impose restrictions upon the types of securities held in their portfolios.

Bionic Capital will explain the fee structure, account minimums, risks and potential benefits of investing to each client, and supply each client with this Brochure and any applicable third-party and other disclosures. There is no guarantee that any investment portfolio will be successful and clients may lose money.

As of May 28, 2017, Bionic Capital managed approximately \$17.2 million in client assets, all on a discretionary basis.

## Item 5 – Fees and Compensation

Bionic Capital's standard non-institutional advisory fee is 1.00%/year based on managed assets, although rates are normally lower for accounts with over \$250,000 in assets. Advisory fees and minimum account sizes are subject to negotiation. We are compensated for investment advisory services through a management fee calculated as a percentage of assets under management for each client portfolio. Fees are deducted directly from client accounts, based on custodian capabilities and client approvals, each month, in arrears.

When a client opens an account, Bionic Capital is given written authorization to withdraw fees from the client's account. Our custodian sends client statements showing fee deductions each month, and we send clients fee invoices at the time of the fee deductions. Refer to Item 15 for more information.

Fee calculations are made as follows:  $(\text{yearly percentage fee} \times \text{days of service}/365) \times \text{month-end net asset value (total value less any margin borrowings)} = \text{monthly advisory fee}$

Example:  $(1.00\% \times 31/365) \times \$450,000 = \$382.19/\text{monthly fee}$

Fees are charged on month-end net asset values per account. Accounts initiated during a calendar month will be charged a prorated fee based on the number of days of service. It is the client's responsibility to confirm that any fees charged are correct.

Bionic Capital's non-institutional minimum account size is \$100,000, which is negotiable.

No fees will be charged before service is rendered, so no refunds will be available. An advisory contract may be terminated either by the client or by Bionic Capital with thirty days written notice (physical or electronic). Lower fees for comparable services may be available from other sources.

Bionic Capital's advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Although Bionic Capital makes every effort to minimize client expenses, clients may incur certain charges imposed by custodians, brokers, and other third parties, such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Bionic Capital's fee, and Bionic Capital shall not receive any portion of these commissions, fees, and costs.

### Item 6 – Performance-Based Fees and Side-By-Side Management

Bionic Capital does not currently charge nor accept performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

### Item 7 – Types of Clients

Bionic Capital may provide portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, registered mutual funds, private investment funds, trust programs, sovereign funds, foreign funds such as UCITs and SICAVs, and other U.S. and international institutions.

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

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

In making discretionary investment decisions, Bionic Capital uses a variety of publicly available investment research and informational resources. Resources include those from Morningstar®, Standard and Poor's, Thomson Reuters, Argus, Jaywalk, First Call, TheStreet.com and other nationally known providers, as well as CNBC, Bloomberg, Barron's, Wall Street Journal, Yahoo Finance and Google Finance, among others. Fundamental valuations and technical analysis may be considered in buying and selling investments. Portfolio allocation and rebalancing tools from our primary custodian, TD AMERITRADE Institutional, and other third-parties may be used to help maintain appropriate diversification and risk levels for clients, but Bionic Capital does not attempt to meet strict exposure levels to every asset class or geography or to replicate the returns of any particular index.

Depending upon a client's risk profile and preferences, equity and index options, merger investing, inverse or leveraged ETFs, and alternative strategies may be utilized in an attempt to add portfolio returns while managing risk.

**Risk Disclosures:** Bionic Capital makes every attempt to suit an investment strategy to the needs and desires of the client and to ensure its appropriateness, but each client is responsible for understanding the risks of the various securities and products that may be utilized. Prospective clients should list in writing specific securities and products they wish NOT to be utilized in their investment portfolios prior to entering into an advisory contract.

**Due to the risks inherent in options investing, prospective clients of any options strategy must read "Characteristics and Risks of Standardized Options," and its updated disclosures,** copies of which are available through our website, [www.bioniccapiatal.com](http://www.bioniccapiatal.com), and through your investment adviser representative.

**Merger investing involves investing in company takeover targets prior to or after a merger announcement and is not suitable for most investors.** Merger investing can be complex and involve significant and varied risks. Large investments losses may occur.

**Alternative strategies may include long/short strategies, managed futures, and commodities investing and are not suitable for all investors.** An alternative strategy may not achieve its desired purpose and can lose money.

**Shorting strategies are subject to a number of risks and are not suitable for all investors.** Short selling involves increased risks and costs, and you may lose more than the amount you invest.

The general risks of ETF investing and the specific risks of leveraged and inverse ETFs should be understood before a prospective client enters into an advisory contract. **Inverse and leveraged ETFs are not suitable for all investors. These ETFs should be utilized only by investors who (a) understand the risks associated with the use of leverage, (b) understand the consequences of seeking daily leveraged investment results, and (c) understand the risks of shorting.** The more an ETF invests in leveraged instruments, the more the leverage will magnify any gains or losses on those investments. Inverse ETFs involve certain risks, which include increased volatility due to the ETFs' possible use of short sales of securities and derivatives, such as options and futures. The ETFs' use of derivatives, such as futures, options and swap agreements, may expose the ETF' shareholders to additional risks that they would not be subject to if they invested directly in the securities underlying those derivatives. Leveraged and inverse ETFs seek to provide investment results that match the performance of a specific benchmark, before fees and expenses, on a daily basis. Because these ETFs seek to track the performance of their benchmark on a daily basis, mathematical compounding, especially with respect to those Funds that use leverage as part of their investment strategy, may prevent a fund from correlating with the monthly, quarterly, annual or other period performance of its benchmark. **Due to the compounding of daily returns, leveraged and inverse ETFs' returns over periods other than one day will likely differ in amount and possibly direction from the benchmark return for the same period.** For those ETFs that consistently apply leverage, the value of the ETF's shares will tend to increase or decrease more than the value of any increase or decrease in its benchmark index. These ETFs generally rebalance their portfolios on a daily basis, increasing exposure in response to that day's gains or reducing exposure in response to that day's losses. Daily rebalancing will impair an ETF's performance if the benchmark experiences volatility.

### **Item 9 – Disciplinary Information**

Bionic Capital has no legal or disciplinary events to disclose that would be material to your evaluation of Bionic Capital or the integrity of Bionic Capital’s management.

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

Dean Erickson is licensed as an insurance agent in California and Maine. Licensed since 2006, he does not currently solicit insurance business and believes this business is de minimis and unrelated to Bionic Capital. However, if a Bionic Capital advisory client becomes interested in purchasing insurance or annuity products, a conflict of interest will arise. In such a case, if requested, Mr. Erickson will review available options, including no-load products, in an effort to offer the most appropriate product. Advisory clients have the right to purchase insurance and annuity products from any source of their choosing or to not purchase such products. Any fees from insurance services will not affect client advisory fees and expenses while doing business with Bionic Capital.

Mr. Erickson also owns Bionic Ventures LLC, which currently operates under fictitious business names, AbStar Fitness, Noveltiez, and Startup Domains. Bionic Ventures LLC was created in 2014 to market unique, cost-effective and versatile fitness products and sell domain names and novelty creations, and may also operate other lawful businesses. These businesses are managed outside of normal stock market hours, and Mr. Erickson believes any impact of Bionic Ventures LLC upon clients of Bionic Capital LLC is negligible.

Although Bionic Capital LLC and Bionic Ventures LLC are each owned by Mr. Erickson, they are separate, distinct companies involved in very different businesses. Mr. Erickson believes there are no conflicts in owning and managing each company, but he will continue to disclose the potential of conflicts for the benefit of the clients and prospective clients of Bionic Capital LLC.



### Item 11 – Code of Ethics

Bionic Capital has adopted the CFA Institute's Code of Ethics and Standards of Professional Conduct ["the Code of Ethics"] for all of its current and future employees, regardless of whether they possess a CFA charter. Bionic Capital claims compliance with the CFA Institute Code of Ethics and Standards of Professional Conduct. This claim has not been verified by CFA Institute.

Company employees must:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets.
- Place the integrity of the investment profession and the interests of clients above their own personal interests.
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on us and the profession.
- Promote the integrity of, and uphold the rules governing, capital markets.
- Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals.

A copy of the Code of Ethics will be made available to any client or prospect upon request and is available through the company's website, [www.bioniccapiatal.com](http://www.bioniccapiatal.com), and through the CFA Institute's website, [www.cfainstitute.org/ethics/codes/Pages/index.aspx](http://www.cfainstitute.org/ethics/codes/Pages/index.aspx).

By law, Bionic Capital is a fiduciary and must act in the best interest of its clients. At times, Bionic Capital may purchase or sell for client accounts securities in which Bionic Capital, its affiliates, supervised persons and/or clients, directly or indirectly, have a position of interest. Subject to satisfying the Code of Ethics and applicable laws, officers, directors, employees and all supervised persons of Bionic Capital and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Bionic Capital's clients. Despite the company's best efforts, there is a possibility that such persons and affiliates might benefit from market activity by a client in a security held by an employee. Trading is continually monitored to reasonably prevent conflicts of interest between Bionic Capital and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Bionic Capital's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Bionic Capital will retain records of the trade order (specifying each participating account) and its allocation. Completed orders will be allocated as specified, per custodial requirements. Partially filled orders will be allocated on a pro rata basis, if cost practicable.

Bionic Capital makes every effort to aggregate trade positions when possible and allocate trades fairly to its clients. Because Bionic Capital may utilize multiple custodians, trading platforms, and strategies, there is no guarantee that every client will receive the same price for their securities.

All supervised persons at Bionic Capital must acknowledge the terms of the Code of Ethics annually, or as amended.

#### **Item 12 – Brokerage Practices**

Soft dollars are considered benefits provided to an investment firm by a custodian or broker-dealer from commissions or fees received by that custodian for client accounts or funds managed by the investment firm. Bionic Capital receives no direct soft dollar payments from any provider.

However, it does receive economic benefits from its choice of custodian(s) due to receiving trading and asset allocation technology, brokerage services, and economic and securities research, among other benefits, in exchange for placing client accounts with the custodian. At least once annually, Bionic Capital reviews its choice of custodian(s) and the benefits it receives and attempts to determine the costs and benefits to its clients.

We review our custodian(s) and their brokerage services in an effort to ensure fairness and best practices, including those for trading and order routing, for our clients. Before accounts are opened, clients receive a disclosure from their custodian that explains these practices.

Bionic Capital makes every effort to select financially strong, cost competitive custodians and brokers that offer a wide range of valuable services to our clients and currently utilizes the services of TD AMERITRADE Institutional and Nationwide (formerly Jefferson National). We believe our choices of all third-party providers have been made in the best interests of our clients.

### **Item 13 – Review of Accounts**

Investment accounts are normally reviewed each business day by Dean Erickson, CFA, the company's CEO and Chief Investment Officer. Market opportunities and risk exposures are assessed. Changes in investments may be triggered by material market, economic or political events and other factors, or by changes in a client's financial situation. Clients are solely responsible for alerting their investment adviser representative to changes in their financial situation. Client reviews are available on an as-requested basis, typically occurring once per year, and may be conducted by email, phone, Skype or other video platforms. Client reviews are conducted by Mr. Erickson or the client's investment adviser representative.

Clients generally receive monthly statements listing all securities positions, current market values and monthly account activity from their custodian. When available, clients also receive online account access to facilitate their review of positions, valuations and activity.

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

Bionic Capital does not pay and does not receive revenue for client referrals.

### **Item 15 – Custody**

Bionic Capital does not act as Custodian for client accounts and shall not take possession of cash, checks, and/or securities of accounts. Clients receive monthly (TD AMERITRADE Institutional) or quarterly (Nationwide) statements from the third-party broker dealer, bank or other qualified custodian that holds clients' investment assets.

To avoid being deemed to have legal custody of client securities and/or funds, Bionic Capital meets the following rules:

- A) Bionic Capital only has custody of funds and securities as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee.
- B) Bionic Capital has written authorization from the client to deduct advisory fees from the account held with the qualified custodian.
- C) Each time Bionic Capital directly deducts fees from a client account, it concurrently:
  - 1) Sends the qualified custodian an invoice or statement of the amount of fee to be deducted from the client account; and
  - 2) Sends the client an invoice or statement itemizing the fee, including the formula on which the fee is based, the value of the assets under management on which the fee is based, and the time period covered by the fee.

It is the responsibility of clients to verify fees.

**Item 16 – Investment Discretion**

Bionic Capital requires discretionary authority from the client at the outset of an advisory relationship in order to select the identity and amount of securities to be bought or sold. Such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Bionic Capital observes the investment policies, limitations and restrictions of the clients it advises. Investment guidelines and restrictions must be provided to Bionic Capital in writing.

**Item 17 – Voting Client Securities**

Each client shall be responsible for voting proxies on their shares. However, if client contractually chooses not to vote their proxies, Bionic Capital may, in its sole discretion, vote the client's proxies as it determines is in the best interest of said client. In no event is Bionic Capital obligated to vote client proxies.

**Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. Bionic Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

**Item 19 – Requirements for State-Registered Advisers**

Dean Erickson, CFA, is Managing Member, CEO, Chief Investment Officer, and Chief Compliance Officer of Bionic Capital and is responsible for firm management and compliance, investment advice and portfolio management. Born in 1958, he is a 1982 graduate of Brown University with a degree in mathematical economics. He attained the Chartered Financial Analyst designation in 1987. He began his career at Miller Tabak Hirsch & Company in New York City as an options trader and arbitrageur, before managing a merger arbitrage portfolio for the same firm. Subsequently, he worked at Moseley Securities in their high yield bond department and at Bear Stearns where he assisted a hedge fund manager. For more than fifteen years, he was a private investor, not associated with any investment firm. More recently, he was a financial adviser at UBS Financial Services, LLC from 2006 to 2008 and an independent financial adviser with Erickson Capital. He founded Bionic Capital LLC in 2009.

### CFA Institute Statement for SEC Form ADV

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

There are currently more than 90,000 CFA charterholders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

#### High Ethical Standards

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

#### Global Recognition

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 19 countries recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

#### Comprehensive and Current Knowledge

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision-making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).