



ITEM 1 – COVER PAGE

Brochure/Form ADV Part 2A

ANALYST EXCHANGE & TRADING SERVICES LTD.

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Introduction

ANALYST EXCHANGE & TRADING SERVICES LTD. ("Analyst") is registered with the Israel Security Authority as a portfolio manager and with the US Securities and Exchange Commission ("SEC") as an investment advisor. This brochure provides information about the qualifications and business practices of Analyst. If you have any questions about the contents of this brochure, please contact the Chief Compliance Officer at michalh@analyst.co.il. The information in this brochure has not been approved or verified by the SEC or by any state or foreign securities authority.

Registration does not imply that Analyst, or its associates, have attained a certain level of skill or training.

We encourage you to visit the SEC's Investment Adviser Public Disclosure (IAPD) for more information about Analyst. The IAPD web address: www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

This document has been updated to reflect Analyst's policies and practices with respect to certain proprietary accounts managed by it or its affiliates.

ITEM 3 – TABLE OF CONTENTS

[Item 1 – Cover Page]	1
Item 2 – Material Changes.....	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business.....	4
Item 5 – Fees and Compensation.....	4
Item 6 – Performance-Based Fees and Side-By-Side Management.....	6
Item 7 – Types of Clients	6
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	7
Item 9 – Disciplinary Information	8
Item 10 – Other Financial Industry Activities and Affiliations	8
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	9
Item 12 – Brokerage Practices	10
Item 13 – Review of Accounts	12
Item 14 – Client Referrals and Other Compensation.....	13
Item 15 – Custody	13
Item 16 – Investment Discretion	13
Item 17 – Voting Client Securities.....	14
Item 18 – Financial Information	14

ITEM 4 – ADVISORY BUSINESS

A. Description of the Advisory Firm

Analyst was incorporated in 1993 under the Israeli Company Ordinance of 1983 and is a wholly-owned subsidiary of Analyst IMS Investment Management Services Ltd. ("Analyst IMS"), a public company traded on the Tel-Aviv Stock Exchange. Analyst IMS was founded in 1985 and became public in 1994. See Item 10 for more information about Analyst IMS. Each of Shmuel Lev and Ehud Shiloni, who are principals of Analyst and Co-Chairmen of Analyst IMS, owns approximately 33% of Analyst IMS.

B. Types of Advisory Services

We provide separate account services. We also give investment guidance to a US registered investment company (i.e. a mutual fund) subject to an agreement between the mutual fund's adviser and us.

Separate Accounts: We provide ongoing portfolio management services based on the goals, objectives, time horizon, risk tolerance, and if applicable, restrictions specific to each client. We obtain discretionary authority to invest in various instruments including US- and non-US stocks, bonds, mutual funds, ETFs and closed-end funds for client accounts. In general, a focus of our investing is Israeli securities. The investment conditions and restrictions applicable to each client account are as stated in its portfolio management agreement.

C. Client Tailored Services and Client Imposed Restrictions

Separate Account clients may impose investment limitations and restrictions that will be outlined in each client's portfolio management agreement.

D. Participation in Wrap Fee Program

We do not participate in any Wrap Fee programs.

E. Amounts Under Management

As of June 31, 2011, the most recent date for which such calculations are available, we manage the following assets:

Discretionary Assets	\$710,102,489
Non-discretionary Assets	\$74,963,397
Total	\$785,065,886

ITEM 5 – FEES AND COMPENSATION

A. How we are compensated for Advisory Services

Separate Accounts:



Our Standard Separate Account Fees are:

Up to \$300,000 - 1.5%

\$300,000 to \$600,000 – 1.25%

\$600,000 to \$900,000 – 1%

\$900,000 to \$1,400,000 – 0.8%

\$1,400,000 to 2,700,000 – 0.65%

All fees are negotiable and are subject to any relevant Value Added Tax.

Fees are calculated as a percentage of assets under management. Separate Account fees can generally be expected to vary based on the amounts placed under our management, and other factors. The fees applicable to a client account are as stated in the account's portfolio management agreement.

As discussed further in Item 11B, we do not charge our management fees to the extent we invest client assets in a mutual fund sponsored by our affiliate.

B. Payment of Fees

The specific manner in which fees are charged by us is established in a client's portfolio management agreement. We will generally bill our fees on a monthly basis, in arrears. Clients may elect to be billed directly for fees or to authorize us to have their fees debited directly from client accounts, which will be done in a manner so as not to result in our being deemed to have custody under the Investment Advisers Act of 1940 (the "Advisers Act"). Management fees will be prorated for each capital contribution and withdrawal made during the applicable calendar month (with the exception of de minimus contributions and withdrawals). Accounts initiated or terminated during a calendar month will be charged a prorated fee. Upon termination of any account, any earned, unpaid fees will be due and payable without penalty or other deduction.

Fund Guidance: We are compensated pursuant to the agreement with the adviser.

C. Clients Are Responsible for Third-Party Fees

Our fees are exclusive of brokerage commissions, transaction fees and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investments 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.

When a client's assets are invested in third-party mutual funds (or in funds sponsored by our affiliate), including exchange traded funds, other types of funds, or other collective investment schemes, the client will be subject to fees and charges as a fund shareholder. Those will include fees and charges imposed on shareholders of the fund or imposed on the fund and borne indirectly by shareholders. These expenses are disclosed in the fund's prospectus. All fund shares (including money market fund shares in which a client's assets may be invested) bear a management fee charged to the fund by the fund's investment adviser, as well as other internal fees and charges. In addition, some funds impose on



shareholders additional fees and charges, such as sales loads, purchase or redemption fees, transfer taxes, and wire transfer and electronic fund fees.

Such charges, fees and commissions are exclusive of and in addition to our fees, and, with the exception of those charged by our affiliated funds as is discussed in Section E of this Item and Item 10, we do not receive any portion of these commissions, fees, and other costs described in this section.

D. Prepayment of Fees

Analyst does not bill fees in advance.

E. Incentives for Recommendations of Securities

Analyst receives a portion of the fees from certain mutual funds sponsored by its affiliate, Analyst IMS Mutual Funds Management (1986) Ltd ("Analyst Mutual Funds"). This presents a conflict of interest to the extent that we have an incentive to recommend these affiliated funds based on compensation received, rather than the client's needs. As discussed in more detail in Item 10.D., we will only recommend affiliated funds when, in our good faith determination, they are suitable for our clients. These affiliated funds are not subject to "sales loads" or similar charges. Clients may purchase these investment products through brokers or agents not affiliated with us. We do not charge our advisory fee on the portion of client assets invested in these affiliated funds.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not currently enter into performance or incentive fee arrangements with our clients.

ITEM 7 – TYPES OF CLIENTS

We may provide services to a variety of client types. Clients may include:

- Individuals, Personal Trusts and Estates – Private investors, investing personal assets
- Charitable Organizations, Foundations and Endowments – Non-profit entities investing contributions to support a stated mission or mandate
- Corporations – Taxable entities organized for a specific business purpose, investing cash reserves

The mix of clients may change as a result of our business operations. The relative percentage each client type currently represents is available on our Form ADV Part 1.

The minimum account size for separate accounts is \$120,000; however, in our sole discretion, we may agree to manage separate accounts below our stated minimum account size. (Item 5 provides a discussion of advisory fees for separate accounts).

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategy

Our analysis of securities consists of fundamental analysis and also includes quantitative analysis.

The positions we buy are intended to help further diversify our clients' investment portfolios and enhance the returns generated by each strategy or fund. We seek to balance investment returns with a rational risk management strategy. Please remember that past performance cannot be used to project future performance. Making changes to an investment portfolio cannot assure better overall performance in the future. We utilize a variety of methods and criteria to evaluate the investments within the portfolio. These methods and criteria are used as guidelines for the selection of investment opportunities. They include, but are not limited to the following items:

1. Screen securities by sectors, industries, market capitalization, duration and credit rating.
2. Screen using proprietary methodologies that employ fundamental valuation data. Some of the criteria which may be reviewed are; P/E Ratio, Relative P/E Ratio, P/B Ratio, EV/EBITDA, Asset Values, Projected Profitability, Margins, Return on Equity, Earnings Per Share ("EPS"), EPS Growth, Company Growth Ratio, Cash Accumulation and Distribution, Cash Flow, Debt/Equity Ratio, Insider Trading, Volatility, Yield to Maturity, Credit Spreads and other indicators as we deem necessary.
3. We read through a wide variety of analysts' reports summarizing further their own analysis.
4. After reviewing all quantitative data, we weigh the favorable and unfavorable aspects of each opportunity; i.e. quality of management, innovations/acquisitions, sales/growth, pipeline, economic "moat", company, industry, country/region economic and political climates, global economic and political climates, etc.
5. All the relevant information is reviewed and a decision is made as to whether or not an investment opportunity meets and/or exceeds the minimum guidelines and may be purchased in the portfolio.
6. Similar discipline is used in determining when to sell a position.

Investments are deemed suitable for purchase when they meet certain criteria which indicate that they are appropriate for a given investment portfolio or strategy, but for a variety of reasons, the value of the investment has been discounted by the broad market. Conversely, positions are sold when they no longer meet our investment criteria.

We do not generally invest with independent asset managers, with the exception of index oriented ETFs. We may utilize mutual funds managed by our affiliate, when we consider it consistent with the client's investment mandate as is discussed in Item 10. These funds are managed in a manner consistent with our portfolio management approach and can offer effective exposure to certain asset classes or market segments.

B. Material Risks Involved

General Investment Risks: All investors bear certain risks when investing their money, regardless of the asset class, sector or instrument chosen. Securities may fluctuate in value or lose value. We will assist clients in determining an appropriate investment strategy based on their specific financial situation and circumstances. Despite our best efforts, there can be no assurances that the client will meet their stated investment goals or that they will not experience losses in their account.

Equity Market Risks/Non-US Markets: Broad stock market risks affect the value of the investments in equities. Factors such as domestic (that is, Israeli) and US and other market economic growth and market conditions, interest rates, and political events affect the equity markets. Additionally, investors should note that investing in the Israeli and other non-



US markets carries risks that may not be associated with more developed markets and economies. Such investing may be characterized by volatility and investors may have fewer or different protections under the securities laws of such markets than under those of the US.

We generally employ investment strategies that do not involve any unusual risks other than capital market risk. We attempt to mitigate the risks associated with any particular security by holding a diversified portfolio of investments. The risks associated with any strategy or fund are provided to each client in advance of investing client assets.

C. Risks of Specific Securities Utilized

None noted

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

ITEM 9 – DISCIPLINARY INFORMATION

As an SEC registered investment adviser, we are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. No events have transpired applicable to this Item.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Registration as a Broker/Dealer or Broker/Dealer Representative

We are a non-clearing member of the Tel Aviv Stock Exchange and may execute trades on behalf of our affiliated mutual funds, provident funds, and our portfolio management clients. In cases where we execute trades, we do so because we believe this method allows us to more efficiently manage our client's portfolios, and we execute only according to our best execution policy, discussed below. Analyst does NOT receive any fees for this execution. Clients are charged clearing fees by the exchange and transaction fees by its bank.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither we nor any of our management persons are registered as an FCM, CPO or CTA.

C. Relationships Material to this Advisory Business and Possible Conflicts of Interests

Our parent firm, Analyst IMS, is a financial services holding company based in Tel-Aviv, Israel. Analyst IMS and Analyst form a consolidated group that consists of the following two other subsidiaries: (1) Analyst I.M.S Mutual Funds Management (1986) Ltd. ("Analyst Mutual Funds"), a manager of Israeli mutual funds, currently manages approximately 30 open-ended mutual funds available for sale in Israel; (2) Analyst Provident Funds Management Ltd currently manages a number of provident funds.

We may make investments in the affiliated funds sponsored by Analyst Mutual Funds on behalf of our clients whose investment objectives are consistent with those of the affiliated funds. A portion of the fees that our clients pay to Analyst Mutual Funds are paid to Analyst.

A conflict exists to the extent we have an incentive to generate fees for ourselves and for Analyst Mutual Funds by increasing the assets of the affiliated funds. A conflict also exists to the extent we have an incentive to promote our affiliated funds by investing client assets with an Analyst-affiliated product rather than that of a competitor. In their capacity as owners of Analyst IMS, our principals derive benefit from the assets managed by the group, including Analyst and Analyst Mutual Funds.

To mitigate these conflicts, we will invest in an affiliated fund on behalf of a client only when, in our good faith determination, such an investment is consistent with the requirements and objectives of our clients as for instance, when we believe that the affiliated funds offer attractive diversification opportunities for our clients. Moreover, although we receive the referenced payments from Analyst Mutual Funds, clients are not “double-charged”: we do not charge our portfolio management fees on assets so invested.

Additionally, our policies are that:

1. We disclose to the client that we may acquire for the client’s account and/or recommend that the client acquires financial assets in which we have an interest (such as one or more affiliated funds), over other financial assets in which we do not have an interest and which are similar with respect to their suitability to the client.
2. We disclose to the client that the fees charged for mutual funds could be higher than those on direct investment.
3. The client can limit the percentage of the Analyst’s affiliated funds in the client’s portfolio (or not include affiliated funds entirely).

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections.

Analyst does not generally select external managers for our clients, except that we will invest client assets from time to time in exchange traded funds.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics

We have implemented a Code of Ethics (“Code”) that defines our fiduciary commitment to each client. The Code applies to all persons associated with Analyst. Our Code was developed to provide general ethical guidelines and specific instructions regarding our duties to our clients. Analyst and its personnel owe a duty of loyalty, fairness and good faith towards our clients. Analyst and its associates adhere not only to the specific provisions of the Code, but to the general principles that guide the Code. The Code covers a range of topics that includes; general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV and supervisory procedures.

Please contact us to request a copy of our Code.

B. Recommendations Involving Material Financial Interests

Analyst may recommend to clients the purchase or sale of funds in which we or an affiliate have a financial interest (i.e. funds sponsored by Analyst Mutual Fund). Analyst has a conflict between its obligation to act in the best interests of its clients and any interest we may have in generating advisory fees for us or promoting our funds. See Item 10.C. for more information about the conflicts this arrangement poses and the means we use to address them.

C. Investing Personal Money in the Same Securities as Clients

Analyst permits employees to trade in only very limited types of securities, certain of which may be purchased on behalf of clients. Analyst group proprietary accounts may also trade in the same securities that may be purchased on behalf of clients. Owning the same securities we purchase or sell for clients presents a potential conflict of interest. As fiduciaries we must disclose all conflicts of interest, and mitigate those conflicts through policies and procedures. As noted above, we have adopted a Code of Ethics, consistent with Section 204A of the Advisers Act, which addresses personal securities reporting procedures. Analyst has also adopted written policies and procedures to detect potentially unethical trading by the proprietary accounts and our employees.

Our employees and proprietary accounts are also constrained by Israeli securities laws, which further restrict their personal account trading.

D. Trading Securities At/Around the Same Time as Clients' Securities

Analyst personnel may, from time to time, buy or sell certain securities (subject to Analyst and Israeli law restrictions) for themselves that we may also recommend to clients. As discussed above, all personal trading may only be undertaken in compliance with our Code.

At no time, will Analyst or any associated person of Analyst, transact in any security to the detriment of any client.

ITEM 12 – BROKERAGE PRACTICES

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians: Analyst generally provides a list of custodians to clients, from which clients select particular banking or securities firms with whom to establish brokerage or bank accounts and to maintain custody of the clients' assets and in some cases to effect trades for their accounts. A custodian is generally placed on this list based on attractive fees or services that Analyst's clients receive at these institutions. Such custodians will typically also have an electronic interface with us, allowing us to monitor clients' accounts and perform reconciliations.

Brokers: Analyst trades for the accounts of its US clients by one of the following means:

- entering an order in an electronic trading system operated by a bank or broker;
- placing an order directly with the Tel Aviv Stock Exchange;
- placing an order directly with the trading desk of a bank or broker.

When we place an order directly, we trade to satisfy our own best execution obligations to our clients. The following are the factors that we use to achieve our best execution obligation:

- (a) the nature and character of the security or instrument being traded and the markets on which it is purchased or sold;
- (b) the desired timing of the transaction;
- (c) Analyst's knowledge of negotiated commission rates and spreads currently available;
- (d) the activity existing and expected in the market for the particular security or instrument;
- (e) the full range of brokerage services provided;
- (f) the broker's or dealer's capital strength and stability, as well as its execution, clearance and settlement capabilities;
- (g) the quality of the research and research services provided;
- (h) the reasonableness of the commission or its equivalent for the specific transaction; and
- (i) Analyst's knowledge of any actual or apparent operational problems of a broker-dealer.

We review best execution on a regular basis. The findings are reviewed for discrepancies, patterns or exceptions. Discrepancies are reviewed and acted upon.

A1a-e. Research and Other Soft Dollar Benefits

While we do not have formal "soft dollar" agreements with any broker-dealer, we may choose to place a trade with a broker when, for example, a research analyst at that broker has furnished us with valuable perspective or advice regarding a specific company or security or its trading market. In order to have continued access to that type of insight and advice, we may develop relationships with brokers who have research and analytical expertise relevant to the needs of Analyst and our clients.

Such research is often provided by brokers on a purportedly "free of charge" basis; however, we may execute client brokerage with these brokers with the knowledge their commission rates are higher than those of certain other firms who do not provide us with research.

As discussed above, quality of research is a component in our determination that we are obtaining best execution for our clients.

B. Aggregating (Block) Trading for Multiple Client Accounts

We will generally execute transactions on an aggregated basis when we believe this will allow us to obtain best execution and negotiate more favorable commission rates or other transaction costs that might have otherwise been paid had such orders been placed independently. When aggregating orders, all of our clients will be treated in a fair and equitable manner. We will not aggregate orders unless aggregation is consistent with our duty to obtain best execution. No account will be favored over any other client; however, a variety of factors are determinative of whether or not a particular client may or may not participate in a particular aggregated transaction. These factors include, but

are not limited to: investment objectives and strategies, position weightings, cash availability, risk tolerance. Because of differences identified above, there may be differences in invested positions and securities held, which could lead to security dispersion among client accounts.

When we determine that order aggregation is in the best interest of our clients, the following guidelines generally are followed for all portfolios which are participating in the execution under the same trading circumstances (e.g., price limits and time of entry). Aggregated orders filled in their entirety or partially will be allocated within strategy among the participating accounts by the portfolio manager pursuant to appropriate allocation methodology.

Consistent with our fiduciary duties, our policy is to exercise care in making and implementing investment decisions for our client accounts. We have a trading errors policy. To the extent trading errors occur, we seek to ensure that clients' best interests are served. Our policy is to resolve all trade errors within a reasonable time while ensuring the client is not disadvantaged, consistent with the orderly disposition (and/or acquisition) of the securities in question. As a general matter, actual losses suffered by a client account as a result of a trade error caused by us will be reimbursed by us; however, we do not compensate clients for lost investment opportunities (e.g., a failure to take advantage of investment or market improvements).

ITEM 13 – REVIEW OF ACCOUNTS

A. Frequency and Nature of Periodic Reviews and Who is Responsible for Reviews

Our Portfolio Managers review each client account on a regular basis—generally, not less frequently than daily—to determine, among other things, whether each account is appropriately positioned and whether investment objectives and policies are being followed. Reviews are performed by the portfolio manager with supervision responsibilities over that client's account.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Analyst may review a client's account more or less frequently at the client's request. Accounts may be reviewed as a result of major changes in macro- or microeconomic conditions, known changes in a client's financial situation, and/or large deposits or withdrawals in an account. Clients are encouraged to notify us if changes occur in their financial situation that might affect their investment objectives.

C. Content and Frequency of Regular Reports Provided to Clients

Clients receive brokerage statements no less than quarterly from the custodian of each client's accounts. These brokerage statements are sent directly to the clients from the custodian. Client brokerage statements will include all positions, transactions and fees relating to the client's account. In some cases brokerage statements may include cost basis, realized/unrealized gains/losses and tax related information.

In addition to the statements provided by the appropriate custodian, Analyst provides supplementary quarterly reports. These reports generally contain a list of investments, transactions, and performance reporting related to the client's account.

We urge clients to review carefully statements from the custodian and compare the custodial records to the reports that we provide them.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients

We are a fee-only advisor, who, in all circumstances, is compensated solely by the client. We do not receive commissions or other compensation from product sponsors, broker-dealers or any unrelated third party.

B. Compensation to Non –Advisory Personnel for Client Referrals

We have entered into contractual arrangements with firms that may solicit clients for us. Any arrangements relating to the solicitation of US persons are made in writing. The solicitor must, at the time of his solicitation, provide the solicited client with a copy of Part 2 of our Form ADV. The solicitor must also provide the solicited client with a separate document describing the solicitation arrangement, disclosing any affiliation between Analyst and the solicitor, the compensation for solicitation, and whether advisory fees for solicited clients are higher than those for other clients due to compensation paid to the solicitor.

ITEM 15 – CUSTODY

We do not maintain physical possession of the funds or securities of any client. Our clients enter into an agreement with a commercial bank which serves as the custodian for their account. As discussed in Item 12, above, in most cases the client will select this custodian from among qualified custodians suggested by us.

While we do not have custody of client funds or securities, payments of our management fees may be made by the custodian from the custodial account that holds client funds. In certain jurisdictions this may be deemed constructive custody. Prior to permitting direct debit of fees each client provides written authorization permitting fees to be made directly from the custodian. We will send the client and the custodian a bill showing the amount of the fee and the way in which it was calculated. as discussed in Item 13, the custodian sends every client an account statement not less than quarterly showing all account activity, including the amounts disbursed from the account to us. This does not constitute custody under the Advisers Act.

ITEM 16 – INVESTMENT DISCRETION

We are typically retained to manage client accounts on a discretionary basis. Within a client's specified investment objectives and guidelines, we determine which securities are bought or sold, the total amount of securities to be bought or sold, the broker or dealer through which the securities are to be bought or sold and the commission rates to be paid, all without further consultation with the client. In exercising our investment discretion, we are guided by the investment policies and guidelines that are established at the inception of the adviser-client relationship (as amended from time to time). The guidelines cover matters such as the types and amounts of securities that will comprise the portfolio. In certain circumstances, some clients may also restrict certain securities from being purchased for their account.



ITEM 17 – VOTING CLIENT SECURITIES

As a general rule, we do not vote proxies on behalf of client accounts: clients wishing to vote in a particular solicitation may instruct their custodians to do so.

We will provide a copy of our proxy voting policies to any client or prospective client upon request.

ITEM 18 – FINANCIAL INFORMATION

Analyst does not have any adverse financial conditions that would reasonably impair our ability to meet our obligations to our clients.