



## Fund4People Capital Management, LLC

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## Form ADV Part 2 Brochure

Filed on January 20, 2014

This Brochure provides information about the qualifications and business practices of Fund4People Capital Management, LLC. If you have any questions about the contents of this Brochure, please contact us at 617-784-9152 or [www.fund4people.com](http://www.fund4people.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Fund4People Capital Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Fund4People Capital Management, LLC is in a process of registering with the SEC. Registration does not imply a certain level of skill or training.



## **Item 2 Material Changes**

This is an initial filing where information about Fund4People Capital Management, LLC is disclosed for the first time.



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#### **Item 4 Advisory Business**

Fund4People Capital Management ("Fund4People", "Firm", or "We") is a limited liability company registered in the state of Nevada. The company was founded in 2013 by two managers: Konstantin Zuyev and Gal Peremislov. Our Firm is currently in a process of registering with the Security and Exchange Commission as Internet Investment Advisor.

We employ cutting edge analytical tools to generate returns for our clients. The Firm believes that fundamental and technical analysis of securities is no longer enough to be successful in money management and wealth creation business. Behavior of a security cannot be understood or made sense out of; it needs to be simply learned through price analysis. There are different ways of analyzing price: simple averages calculated over 5, 10, 25, 50, 100, 200 days of historical data, weighted averages over the same time periods, combination of averages and standard deviation, etc. Our Firm uses arguably the most intelligent of all price analysis – Artificial Neural Networks ("ANNs"). Invented decades ago, ANNs have found applications in variety of scientific disciplines eventually moving to the field of finance. Heavy in computations, ANNs yield non-linear mathematical models that we use for predicting behavior of securities.

We offer two types of advisory services to our clients. The first and predominant one is subscription service through our interactive web site [www.fund4people.com](http://www.fund4people.com) where we plan on publishing articles containing investment advice in exchange for a subscription fee. The second one is for clients who are interested in investing capital with our Firm on a discretionary basis. As an Internet Investment Advisor, we are allowed to have up to 15 non-internet clients based on the De Minimis Exception for Non-Internet Clients as defined by the SEC (reference: <http://www.sec.gov/rules/final/ia-2091.htm>). We anticipate having non-internet clients in 2014 on discretionary basis. As of the date of filing with the SEC (January, 2014), we do have \$201,567 under management. We do not anticipate managing money on a non-discretionary basis. And we do not participate in a wrap fee programs.

Our interactive web site establishes an investment profile of a client through a web survey. Investor is being asked a series of questions to determine his/her financial situation, investment knowledge, risk tolerance, time horizon, etc. and based on the responses, it defines an Investment Profile through our proprietary web-based algorithm. Further subscription-based investment advice is tailored to that investment profile via restricted, subscriber-only web publications. The following are examples of Investment Profiles: Conservative, Balanced, Assertive, Moderately Aggressive, and Very Aggressive.



## **Item 5 Fees and Compensation**

There are two ways our Firm can earn income. The first and predominant way is through subscription fees on our interactive web site. We anticipate having two levels of subscription services: monthly and annual. We plan on charging our subscribers \$14.99/month and \$99.99/year recurring fees. In order to attract subscribers, we plan on offering a promotional subscription for 1-3 months for a nominal fee or free of charge.

In the case on non-internet clients, we will charge a 2.99% management fee in arrears based on the market value of the account. The management fee will be deducted directly from client's account by the Firm. Fund4People will mail client a copy of the bill with explanation on how the fee was calculated. The clients will incur transaction fees based on the number of trades made on the account. The management and transaction fees are non-negotiable.

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

Fund4People does not charge performance-based fees.

## **Item 7 Types of Client**

We offer our investment advisory services to individuals and registered companies. Our requirement for opening an account on a discretionary basis for De Minimis clients is \$10,000

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

We employ several steps in formulating investment advice: historical price data gathering, analysis of price employing Artificial Neural Networks, and portfolio construction. Our processes are fully automated which gives us a competitive advantage in terms of speed and accuracy. We analyze hundreds if not thousands of securities in a short period of time and employ powerful hardware and state-of-the-art software to process millions of mathematical operations. However, no investment strategy (including ours) is full proof and investors should be aware of the risks. Client's investments are subject to risks associated with investing in securities, including various market, currency, economic, political and business risks. Fund4People does not guarantee the performance of client's investments or guarantee that our investment advice or strategies will be successful or that client's investment objectives will be met.



### **Item 9 Disciplinary Information**

There is no disciplinary information to report.

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

There is no financial industry activity and affiliations to disclose.

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

Fund4People has adopted a Code of Ethics describing its high standard of business conduct, and fiduciary duty to its subscribers and clients. All managers and supervised persons of Fund4People must acknowledge the terms of the Code of Ethics at least annually or when amended.

Our written Code of Ethics addresses expected behavior and Firm's expectations regarding the following topics:

- Professionalism
- Integrity in the Capital Markets
- Duties to clients
- Duties to Fund4People
- Investment Analysis, Recommendations, and Action
- Conflicts of Interest
- Responsibility to Protect the Reputation and Integrity of Fund4People

Clients have a right to receive a complete copy of Fund4People Capital Management, LLC's Code of Ethics. Clients may request a copy of Code of Ethics by contacting us at [fund4people@gmail.com](mailto:fund4people@gmail.com)



## **Item 12 Brokerage Practices**

Subscribers to our investment advice service through our web site are free to use the brokerage platform of their choice to implement the investment advice. For the De Minimis clients, we anticipate to use TD Ameritrade or E\*TRADE. We do not receive research and any other soft dollar benefits from either TD Ameritrade or E\*TRADE. We simply use their brokerage platforms because of good trade execution and relatively low trading fees.

## **Item 13 Review of Accounts**

Since majority of our business will be web-based subscribers, there is no need to review accounts. For the non-internet clients under the De Minimis rule, we will review the accounts on a monthly basis (review will be conducted by our Chief Financial Officer, Gal Peremislov and President and Chief Investment Office, Konstantin Zuyev) and we will deliver quarterly statements to clients in writing stating activity on the account, profit/loss realized, and fees incurred.

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

We do not compensate individuals or other persons for client referrals and do not refer our clients to other investment advisory firms in exchange for compensation.

## **Item 15 Custody**

For non-internet clients, the assets in the account shall be held for safekeeping with the firm designated by us to provide custody for account assets (the "Custodian"). Fund4People shall not act as Custodian. The Custodian shall be TD Ameritrade or E\*TRADE.

## **Item 16 Investment Discretion**

For non-internet clients, Fund4People accepts investment authority to supervise and direct the investments of client's assets subject to limitations the client may impose in writing. The Firm, as agent and attorney-in-fact for client's account, without prior consultation with the client, may:



- Direct the purchase, sell, exchange, conversion, and otherwise trade in stocks, bonds and other securities including money market instruments;
- Direct the amount of securities purchased, sold, exchanged, and otherwise traded;
- Place orders for the execution of such securities transactions with a broker dealer or other third party broker/dealers; and
- Determine the commission rates paid. Fund4People will allocate brokerage transactions in a manner it believes to be fair and responsible to its clients, and consistent with client objectives.

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

Fund4People does not vote client proxies. Client is responsible for voting any such proxies.

### **Item 18 Financial Information**

Our firm is in good financial health. We have no financial condition to report that is reasonably likely to impair our ability to meet contractual commitments to clients. We have not been a subject to bankruptcy at any time. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, therefore we have no material additional financial disclosures.

### **Item 19 Additional Information**

#### **PRIVACY NOTICE**

As an investment adviser, we are a "fiduciary" to our advisory clients. This means that we have a fundamental obligation to act in the best interests of our clients and to provide investment advice in our clients' best interests. We owe our clients a duty of undivided loyalty and utmost good faith. We will not engage in any activity in conflict with the interest of any client, and we will take steps reasonably necessary to fulfill our obligations. We will provide full and fair disclosure of all material facts to our clients and prospective clients. Generally, facts are "material" if a reasonable investor would





consider them to be important. We will eliminate, or at least disclose, all conflicts of interest that might incline us — consciously or unconsciously — to render advice that is not disinterested. If we cannot avoid a conflict of interest that could impact the impartiality of our advice, we will make a full and frank disclosure of the conflict. We will not use our clients' assets for our own benefit or the benefit of other clients.

An important part of the relationship we have with our clients is the information you share with us. We want you to know how we treat your private information.

In providing financial services and products to you, we collect certain nonpublic information about you. Our policy is to keep this information confidential and strictly safeguarded, and to use or disclose it only as needed to provide services to you, or as permitted by law. Protecting your privacy is important to us.

The nonpublic personal information we have about you includes what you give us when you open an account or communicate with us. This could include your name and address, investment objectives and experience, financial circumstances, and employment.

We don't disclose nonpublic personal information about you to third parties and we do not sell your personal information to anyone.

We have procedures in place that we believe are reasonably designed to protect the security and confidentiality of your information. These include password-protected user access to our computer files and strict confidentiality policies that Fund4People Capital Management, LLC managers adhere to.



## Brochure Supplement. Part 2B

Name and Title: Konstantin Zuyev, President and Chief Investment Officer

CRD#: 6289224

Address: 5005 Terraceview Ln. N Plymouth, MN 55446

Phone: 617-784-9152

Email: [fund4people@gmail.com](mailto:fund4people@gmail.com)

Today's Date: January 17, 2014

Educational Background: M.S. in Polymer Science (2001), Ph.D. in Polymer Science (2004), both degrees from Ohio State University. Executive MBA from Suffolk University (2009)

Business Experience: Past 10 years: Engineering and Six Sigma roles in General Electric, Product Management and R&D Management roles in Saint-Gobain and Valspar. Extensive international experience working in Europe and Asia. 5 years experience of developing mathematical algorithms for predicting securities. 5 years of extensive trading experience.

Disciplinary Information: Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. There are no disciplinary or legal events to disclose regarding Mr. Zuyev.

Other Business Activities: Mr. Zuyev is the founder of Fund4People Capital Management, LLC and serves as its President and Chief Investment Officer. Mr. Zuyev is not registered, and does not have an application pending to register, as a broker-dealer or as a registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA.

Additional Compensation: Mr. Zuyev, as manager of Fund4People Capital Management, LLC is compensated based on Profits Participation Plan

Supervision: Mr. Zuyev is a founder of the Fund4People Capital Management, LLC and, as an officer of the company, he abides by the Code of Ethics and Privacy Policy established by Fund4People.



Name and Title: Gal Peremislov, Chief Financial Officer

CRD#: 6289231

Address: 4522 Timber Woods Ln. Minnetonka, MN 55345

Phone: 612-701-4436

Email: [fund4people@gmail.com](mailto:fund4people@gmail.com)

Today's Date: January 17, 2014

Educational Background: BS in Computer Science, Tel-Hai College, Israel (2001)

Business Experience: Military Service: 1995-1998 Israeli Air Force, Over 10 years of programming experience. Established a successful real estate and property management business. In charge of general management, finances, investments and research, real estate appraisal, business and financial planning. Over 10 years of experience in securities trading, managing personal accounts, pension plans, and 401(k)/403(b) accounts.

Disciplinary Information: Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. There are no disciplinary or legal events to disclose regarding Mr. Peremislov.

Other Business Activities: Mr. Peremislov is the founder of Fund4People Capital Management, LLC and serves as its Chief Financial Officer. Mr. Peremislov is not registered, and does not have an application pending to register, as a broker-dealer or as a registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA.

Additional Compensation: Mr. Peremislov, as manager of Fund4People Capital Management, LLC is compensated based on Profits Participation Plan

Supervision: Mr. Peremislov is a founder of the Fund4People Capital Management, LLC and, as an officer of the company, he abides by the Code of Ethics and Privacy Policy established by Fund4People.