

WealthyX

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Form ADV Part 2A

Client Brochure

January 1, 2015

This brochure provides information about the qualifications and business practices of WealthyX LLC (“WealthyX”), a registered investment adviser. Registration does not imply a certain level of skill or training but only indicates that WealthyX has registered its business with state and federal regulatory authorities, including the United States Securities and Exchange Commission. If you have any questions about the contents of this brochure please contact us at (646) 807 - 9836 or info@WealthyX.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. WealthyX’s CRD number is 172380. Additional information about WealthyX is also available on the SEC’s website at www.adviserinfo.sec.gov

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Item 2 Material Changes

This Form ADV Part 2 (the “Brochure”) is a document which describes WealthyX’s business, personnel and conflicts of interest. Upon the opening of your account and at least once a year, within 120 days of the close of our fiscal year, WealthyX provides you with a copy of our Brochure. We may further provide other ongoing disclosure information about material changes as necessary.

WealthyX is a newly-registered investment adviser and accordingly does not have material changes at this time. In the future this section will discuss material changes since the last annual or other update of this Brochure.

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Item 4 Advisory Business

WealthyX (“the Firm”) is a SEC registered investment advisory firm that offers investment advice through the internet at the website www.WealthyX.com (the “Site”). Formed in 2014 as a Limited Liability Company organized under the laws of Delaware and principally owned by its Founder and CEO Mr. Peter Yuen. Additional information about WealthyX’s ownership structure and directors is provided in Schedule A of Part 1A of WealthyX’s Form ADV.

WealthyX offers discretionary investment advice using Modern Portfolio Theory through its Wrap Fee Program, where it serves as the Program’s investment adviser. The Program is conducted through WealthyX’s interactive website, which is designed to capture information about age, investment experience, investment goals, and other questions designed to know more about you. This information enables us to provide you with an investment portfolio that is designed to best suit your needs under your specific Program.

We receive a portion of the wrap fee charged to you by your wrap fee sponsor. Sponsors will pay a flat annual fee of 0.25% to 0.50% of their clients’ total assets under management.

As a newly-registered advisor, we currently do not have any assets under management.

Item 5 Fees and Compensation

WealthyX charges a fee of 0.25% to 0.50% of a Program client’s total account balance. Fees are calculated on a continuous basis and paid to WealthyX by the Program Sponsor each month as follows: WealthyX calculates a daily management fee, which is equal to the fee rate multiplied by the net market value of the client’s account as of the close of trading on the New York Stock Exchange (“NYSE”) (herein, “close of markets”) on such day, or as of the close of markets on the immediately preceding trading day for any day when the NYSE is closed, and then divided by 365 (or 366 in any leap year). The management fee for a calendar month is equal to the total of the daily fees calculated during that month and is billed to the Program Sponsor no later than the tenth business day of the following month.

While WealthyX only receives its management fee as described above and no other direct or indirect compensation related to investments that are purchased or sold for Program client accounts, additional fees may be incurred as part of the client’s agreement with the Wrap Fee Program Sponsor.

Additionally, an ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a client's portfolio performance or an index benchmark comparison. Expenses of an ETF may include management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. WealthyX will, upon request, provide an ETF's current publicly available information concerning these embedded expenses.

Item 6 Performance-Based Fees and Side-by-Side Management

As of the date of this Form ADV Part 2, WealthyX does not charge performance-based fees and we currently have no plans to do so. In the event that we may negotiate a performance fee with a client in the future, we will do so in accordance with the requirements of SEC Rule 205-3 of the Investment Advisers Act of 1940 and make all appropriate disclosures in this Form ADV Part 2.

Item 7 Types Of Clients

Our Program is designed to provide advisory services to individuals. Each Program client must complete an online suitability questionnaire. Clients approved for an account must maintain a securities brokerage and custody account with Kapital Generation LLC, the Wrap Fee Sponsor or through other Wrap Fee Sponsors for which WealthyX acts as Wrap Fee Program Advisor.

All clients must be United States residents and maintain a minimum \$500 account balance as required under the Wrap Fee Agreement.

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

WealthyX's investment approach combines Modern Portfolio Theory ("MPT") with the investment experience of our team. MPT attempts to create diversified portfolios with the aim of selecting a combination of investments that has collectively lower risk than any individual asset. MPT finds it is possible to maximize return for a given level of risk, or equivalently minimize the level of risk for a given return goal, by creating a portfolio of diversified assets. When different assets are carefully combined in a portfolio the calculation of risk can be lower than any individual asset. The weighting of individual asset classes in a portfolio is carefully calculated using Mean Variance Optimization so

that every portfolio has the highest potential return for a given level of risk, or the lowest level of risk for an expected return. This forms the Asset Allocation strategy of our portfolios.

While MPT provides a systematic approach to Asset Allocation we do not blindly make investment decisions. We believe our combined investment experience corrects many of the shortcomings of the theory. Some assumptions of MPT which have been identified as flaws to the theory include asset returns are normally distributed random variables, correlations between assets are fixed and constant forever, investors have an accurate conception of possible returns, and risk/volatility of an asset is known in advance and is constant. By considering these flaws in our basic assumptions for risk, return, and correlations, we believe we create a better portfolio for our clients. Our portfolios are invested in U.S. Exchange Traded Funds (“ETFs”). ETFs are analyzed using fundamental factors which include how well each ETF tracks its benchmark, whether the cost is attractive versus other similar ETFs, whether the ETF is sufficiently liquid and whether the ETF’s investment manager has had any recent disciplinary or other regulatory actions against it by the SEC or other financial regulators. All ETFs meeting these criteria are potential candidates for inclusion in a portfolio.

Protecting Program clients’ assets is our primary responsibility, but investing still involves risk of loss that clients should be prepared to bear. One way of controlling a client’s exposure to risk is by “Rebalancing.” Rebalancing realigns the weightings of a client’s portfolio of assets. The process involves periodically buying or selling assets in your portfolio to maintain your original desired level of asset allocation and exposure to risk. The primary considerations for rebalancing are the portfolio’s risk profile and tax implications.

The material risk to our strategy involves market activity, whether sharp declines or increases, that affect the value of securities held in our clients’ accounts and our ability to purchase or sell those securities. We do not engage in frequent trading in our Program client accounts.

Item 9 Disciplinary Information

WealthyX is required to disclose all material facts concerning any legal or disciplinary actions by a regulator that would be material to your evaluation of us or the integrity of our management. As of the date of this Form ADV Part 2, WealthyX has no information applicable to this item.

Item 10 Other Financial Industry Activities and Affiliations

At this time neither WealthyX nor any of its employees are associated or plan to be with any broker-dealer.

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

WealthyX has adopted a Code of Ethics (the "Code") and Compliance Policies & Procedures (collectively, the "Policies") in accordance with the provisions of Sections 204A and 206 of the Investment Advisers Act of 1940. The Code sets forth WealthyX's standards of business conduct as a fiduciary and specifically requires that WealthyX's employees comply with federal securities laws, applicable state laws, and WealthyX's policies and procedures. Specifically, WealthyX's Policies contain policies and procedures addressing information barriers, privacy, gifts and entertainment, anti-money laundering, circulation of rumors, and personal account trading by WealthyX employees.

Personal Account Trading

With respect to personal account trading, all employees are required to disclose employee and employee-related personal securities accounts. Employees are prohibited from making personal trades where the securities are being considered for purchase or sale (or recommended for purchase or sale) for a client account. All personal account trades must be pre-cleared, with the exception of certain exempted securities such as U.S. government securities and open-end mutual fund transactions. Employees are required to disclose personal securities transactions at least quarterly.

If you are a client or a prospective client and would like a copy of WealthyX's Code of Ethics, please send a request to WealthyX, Attention: Compliance, 222 Broadway, 19th Floor, New York, NY 10038.

Participation or Interest In Client Transactions

It is a conflict of interest for WealthyX to recommend, buy or sell for client accounts any securities in which we have a material financial interest. We do not engage in trading for WealthyX's own accounts (a practice known as proprietary trading).

Item 12 Brokerage Practices

Selection of Broker-Dealers

WealthyX executes trades for Program participants through the Program Sponsor, a registered broker-dealer. As a result, Program participants may incur higher brokerage fees or commissions or may not have achieved speed of execution that they otherwise might have received from other broker-dealers.

Research and other Soft Dollar Benefits

The use of client securities transactions to obtain research and other benefits creates incentives that result in conflicts of interest between investment advisers and their clients. As a result, WealthyX chooses not to enter into such arrangements.

Brokerage for Client Referrals

WealthyX does not engage in the practice of selecting, recommending or otherwise rewarding broker-dealers where those broker-dealers refer clients to WealthyX, except as part of a Wrap Fee Program agreement.

Directed Brokerage

WealthyX does not accept direction from Program clients as to where the execution of an order should take place (i.e., directed brokerage arrangements).

Trade Aggregation

Clients engaging an investment adviser can benefit when the investment adviser aggregates (or batches) trades in order to obtain volume discounts on execution costs. WealthyX typically aggregates client orders where investment strategies are identical or substantially similar.

Item 13 Review of Accounts

Accounts are reviewed daily by the Investment Team for triggers such as the release of economic data, price movements, and positions exceeding percentage limitations or other specified value differentials. All accounts are reviewed on a quarterly basis by the Investment Committee.

For accounts where WealthyX maintains investment discretion, written monthly or quarterly reports reflecting portfolio transactions or holdings are provided to the client by the Program Sponsor. Additional reports concerning other information may be furnished on a basis as agreed upon in the agreement with the Program Sponsor.

Item 14 Client Referrals and Other Compensation

There are significant conflicts of interest when an investment adviser receives benefits (such as sales awards or prizes) from a third party for providing advisory services to a client or when an investment adviser pays a third party for client referrals.

As of the date hereof, WealthyX does not engage any introducing agents or third parties for client referrals.

Item 15 Custody

WealthyX does not maintain custody of any Program Client funds or securities. The Program Sponsor or its designee serves as custodian. Each Client will receive all required account statements from their Program Sponsor and should carefully review this information.

Item 16 Investment Discretion

WealthyX typically receives investment discretion under the Wrap Fee agreement signed by each client. Discretion is granted to select the issuers, amount and brokers through which such transactions will be executed. The Wrap Fee agreement, together with information provided by the client directly to WealthyX also contains each client's specific investment objectives and guidelines.

Item 17 Voting Client Securities

WealthyX, Kapitall, and Apex do not acquire or exercise proxy voting on your behalf in connection with the Program. Unless you direct otherwise, you will receive proxy materials directly from the issuers of funds, their service providers, or Apex. We will not advise you on the voting of proxies. Any proxy voting must be exercised by you directly. You agree that we will not advise you or act on your behalf in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held in your Account or of the issuers of such securities.

Kapital is responsible for ensuring that you will receive electronic trade confirmations for purchases and sales made in your Account. Such confirmations will be sent to your attention promptly at the time of trade.

Item 18 Financial Information

WealthyX is required to provide you with certain financial information or disclosures about its financial condition. WealthyX 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.

Requirements for a State-Registered Advisor

Not applicable.

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Form ADV Part 2B

January 1, 2015

This Brochure Supplement provides information about certain WealthyX employees that have the most significant responsibility for the day to day advice provided to clients. It supplements the WealthyX Brochure.

Please contact WealthyX at (646) 807-9836 or info@WealthyX.com if you did not receive WealthyX's Brochure or if you have any questions about the contents of this Brochure Supplement.

Peter Yuen, CFA, born 1975Education

BS, New York University, 1996

MBA, Columbia University Business School, 2002

Business Background

1996 – 2002 Investment Strategist, Merrill Lynch & Co.

2003 – 2006 Investment Analyst/Portfolio Manager, US Trust Company

2006 – 2010 Portfolio Manager, UBS

2010 – 2013 Independent Investment Professional

2014 – present Founder & CEO, WealthyX LLC

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

None

Supervision

Mr. Yuen is the Founder & CEO of WealthyX LLC, and as such is not subject to additional supervision

John Ryu, born 1978Education

BA, Yale University, 2000

MBA, UC Berkeley, 2009

Business Background

1998 - 2001 Management Consultant, Ernst and Young

2002 - 2005 Senior Director, Ad Products, WhenU

2006 - 2007 Head of Product, AdECN (Microsoft)

2009 - 2012 Director, WebMD

2013 - present	Partner, Scout Ventures
2014 - present	Co-founder, WealthyX LLC

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

None

Supervision

Mr. Ryu is supervised by Mr. Yuen pursuant to WealthyX's policies and procedures.