

# SEC Form

ADV Part 2A Firm Brochure



## WRAP FEE PROGRAM BROCHURE

This wrap fee program brochure provides information about the qualifications and business practices of E\*Hedge Securities, Inc. If you have any questions about the contents of this brochure, please contact us at (312) 270-8632 or [support@ehedgesecurities.com](mailto:support@ehedgesecurities.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.

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## Item 2: Material Changes

E\*Hedge Securities updates this document annually, or more frequently in the event of certain material changes, which are outlined and summarized in this section. We have made changes to the material and our disclosures since our last filing.

The corporation has completed a name change from E\*Hedge, Inc. to E\*Hedge Securities, Inc. (hereinafter “E\*Hedge”) wherein the companies website has been updated to reflect the name change to [www.ehedge securities.com](http://www.ehedge securities.com).

### Item 3- Business Services

We have made updates in the “Description Services Offered” section. A paragraph was added that discusses E\*Hedge Securities “EHS Platform”. Wherein E\*Hedge’s proprietary service and technology platform (“EHS Platform”) may provide corporate clients with advice, technology, administrative services and assistance with and introductions to resources needed to conduct a Regulation A offering under the Securities Act of 1933.

A new section was added that addresses client companies as possible circumstances impacting the pricing and availability of transactions that clients enter into. Where as the business client agrees to be bound by the EHS Platform standard terms and conditions which can be found at (<http://www.ehedge securities.com>).

(We have updated the “Wrap Fee Programs” section so as the existing paragraph reflected the revised and corrected terms in which E\*Hedge Securities will not initiate certain clients in the Wrap Fee Programs as a portfolio manager in reference to E\*Hedge’s proprietary service and technology platform (“EHS Platform”). This service is sponsored by technology and advisory divisions within the company.

In addition we have updated the E\*Hedge’s advisory service fee to reflect the reduced minimum investment relationship size from \$1,000 to \$250.

### Item 5- Fees and Compensation

We updated details regarding the compensation received for proprietary service and technology platform usage coupled with advisory services were added.

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## Business Service

E\*Hedge Securities, Inc. (hereinafter "Firm" or "E\*Hedge") is an internet investment advisor registered with the United States Securities and Exchange Commission (the "SEC"). E\*Hedge provides investment advisory services to its Clients (hereinafter, "Client").

E\*Hedge combines its online financial tools along with customized portfolio investment services, which are managed by portfolio managers who act in our clients behalf.

E\*Hedge manages retail and corporate client accounts through zero fee, and all-inclusive segmented fee schedules.

When creating an account application, clients can select the investment portfolio they would like to hold in their account. Through E\*Hedge's interactive online platform, which is available 24/7/365, clients can actively monitor and implement changes to their account.

E\*Hedge client accounts are custodied at Investment Company, Inc. and charged a wrap fee. This wrap fee includes all portfolio management costs, trading costs, custodial costs, and operational costs. There are no sales charges or commissions ever paid.

All E\*Hedge client accounts are managed services in which investment portfolios are offered in pre-designated programs on an individual basis. Therefore, no portion of the annual fee is paid to outside portfolio managers. Fees are charged on the client level, meaning the totality of all accounts associated with one client is considered.

### ADVISORY SERVICES

- § Tax optimization, as applicable
- § Portfolio selection, as applicable
- § Advisory to trader partnerships
- § Custody services
- § Securities transaction costs included
- § Online Customer Service
- § Unaffiliated, qualified custodian
- § Minimum relationship size: \$250

In connection with advisory services the company provides the "EHS Platform". Wherein E\*Hedge's proprietary service and technology platform provides corporate clients with advice, technology, admin services and assistance with resources needed to conduct a Regulation A offering under the Securities Act of 1933.

Where as the business client agrees to be bound by terms that can be found at (<http://www.ehedgesecurities.com>).

EHS Platform technology assist clients in facilitating the companies standard terms and conditions for the implementation of testing the waters and live subscription activities in relation to 3rd party vendors. A new section was added that addresses client companies as possible circumstances impacting the pricing and availability of transactions that clients enter into. Where as the business client agrees to be bound by the EHS Platform standard terms and conditions which can be found at (<http://www.ehedgesecurities.com>).



## Fees & Expenses

E\*Hedge will assess a fee based on the clients portfolio investment program pre-determined during the application process. This wrap fee is calculated monthly. The clients monthly fee includes trading commissions, and custody service. Fees related to portfolio management may be assessed separately and, are calculated and deducted on a monthly basis. The clients plan selection determines the monthly fee to be debited. Under pre-designated client plans the daily market value of the assets under management will be used to assess the fee in addition to monthly management fee determined upon the clients application submission.

### Monthly Management

Fee		Included
<b>Annualized Wrap Fee</b>		
Asset Size	Yearly Fee	
\$0- 49,999	.65%	
\$50,000- 99,999	.60%	
\$100,000- 249,999	.55%	
\$250,000- 499,999	.45%	
\$500,000- 999,999	.35%	
\$1,000,000- 999,999	.25%	
\$10,000,000- 49,999,999	.15%	

The Client authorizes E\*Hedge to debit the advisory fee due from the Client's account. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance.

E\*Hedge's fee for the Advisory Services is based on the following tiered fee schedule:

E\*Hedge doesn't solicit payments beyond one month in advance. All fees paid to E\*Hedge, for Advisory Services are separate and distinct from the fees and expenses charged by private funds, exchange traded funds, mutual funds, closed-end investment companies or other managed investments to their shareholders. Total fees and expenses are explained in each fund's prospectus. Other fees may be assessed to clients, not included. Fees, for transactions not executed through Broker, costs including currency exchange costs, wire transfer fees, paper statements, ACH charges, or other fees required by law.

### ZERO FEE EHS PLATFORM

E\*Hedge will offer and facilitate the use of its proprietary service and technology platform ("EHS Platform") for the facilitation of testing the waters and live subscription activities to qualifying investors for no fee.

Advisory services for certain qualifying corporate clients who meet terms and conditions of the companies EHS Platform and advisory services for Regulation A offerings under the Securities Act of 1933.

This service is facilitated by technology and advisory divisions within the company and contractual obligations will based on contractual terms of services defined by the company and the client

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## Accounts & Client Types

### E\*Hedge Account Details

E\*Hedge provides a diverse program access to individual clients, high-net-worth individuals, small business owners and partnerships. E\*Hedge's advisory service has a minimum relationship size of \$250.

#### Silver Account:

Clients, who invest between \$1,000 and \$100,000, in designated portfolios will receive a portfolio management consisting of securities exclusively consistent with equity securities and a dedicated portfolio managers. Online support personnel will be made available to assist with account preference details as needed. Accounts under said designation may pay a fixed monthly fee.

#### Gold Account:

Clients, who invest between \$100,001 and \$500,000 will receive a portfolio built and managed exclusively by dedicated portfolio managers. Access to support personal will provide round the clock. In addition quarterly reviews with a dedicated advisor representative and said portfolio managers will be made available for the purpose of an online one-on-one question and answer session. Periodic newsletters will be provided for addition updates in addition to online access to E\*Hedge's client management system. Accounts under said designation may pay a fixed monthly fee.

#### Platinum Account:

Clients, who invest between \$500,001 and \$1,000,000 will receive a portfolio built and managed exclusively by dedicated portfolio managers. Access to support personal will provide round the clock. In addition quarterly reviews with a dedicated advisor representative and said portfolio managers will be made available for the purpose of an online one-on-one question and answer session. Periodic newsletters will be provided for additional updates in addition to online access to E\*Hedge's client management system. Accounts under said designation may pay a fixed monthly fee.

#### Diamond Account:

Clients, who invest between \$1,000,001 and \$99,999,999 will receive a portfolio built and managed exclusively by expert portfolio managers. Access to support personal will be provide round the clock. In addition monthly reviews with a dedicated advisor representative and said portfolio managers will be made available for the purpose of an online one-on-one question and answer session. Periodic newsletters will be provided for additional updates in addition to online access to E\*Hedge's client management system. Accounts under said designation may pay a fixed percentage of assets under management.

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## Portfolio Analysis & Risk Of Loss

E\*Hedge provides portfolio managers for all of its client accounts. The E\*Hedge team serves in the capacity of advisors and is not subject to the same evaluation criteria as a third-party Portfolio Manager. The E\*Hedge portfolio management group is comprised of individuals with significant industry and trading experience.

E\*Hedge assesses all outside portfolio managers. There are no conflicts of interest because E\*Hedge ensures the portfolio managers that participate in the program share in all aspects of the client journey.

Through E\*Hedges account application process, clients can select the specific portfolio manager and request reasonable restrictions be placed on their account. E\*Hedge offers an interactive online platform, around the clock, where clients can change their portfolio investment preference and individual details at any time.

E\*Hedge security analysis methods include: monitoring and screening all investment baskets, indices or securities in order to select the desired risk attributes. In the event correlation analysis determine (evaluating the current relationship of two securities or market segments movement in relation to each other) a high risk of loss then what fundamental analysis (evaluating securities based upon its historical and projected financial performance) determine as appropriate for a given portfolio the appropriate risk prevention actions will be taken in the interest of the client.

All investments involve risk. E\*Hedge does not guarantee the results of the advice given. Significant losses can occur by investing in any security, or by following any strategy, including those implemented recommended or applied by E\*Hedge.

There is the risk of missing an investment opportunity because the assets necessary to take advantage of that opportunity are held in other investments. The business of investing in securities is highly competitive and the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty.

**Key Man Risk** The success of some strategies depends to a great extent on the specific investment skills of the portfolio manager. Performance could be adversely affected if, because of illness or other factors, their services were not available for any amount or period of time.

E\*Hedge accepts voting authority for client securities.

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## **Portfolio & Investment Strategies**

E\*Hedge provides a diverse and inclusive range of customized portfolios for clients. Options includes portfolio management solutions based on the clients risk profile, age, goals, account type, account size, stop-loss level, and income requirements.

### **Use of Leverage**

Leverage may be used in investment and trading, generally through purchasing inherently leveraged instruments such as exchange-traded funds. The prices of leveraged instruments can be highly volatile, and investments in leveraged instruments may, under certain circumstances, result in losses that exceed the amounts invested.

### **Client Contact with Portfolio Managers**

E\*Hedge places no restrictions on the clients ability to interact with support representatives via E\*Hedges online platform. On the E\*Hedge platform, clients have the ability to submit questions through a support ticket system that may be viewable to all applicable parties.

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## **Client Contact with Portfolio Managers**

E\*Hedge places no restrictions on the ability for clients in the Programs to interact with support representatives via the interactive online platform. On the E\*Hedge platform, clients have the ability to submit questions through a robust support ticket system and live chat.



## Account Review

E\*Hedge utilizes top of the line portfolio management software solutions in addition to factoring account preferences designated by the client to monitor and manage accounts on a continual basis. Deviation from an account's determined risk profile or portfolio asset allocation parameters or removal of a specific security from the designated portfolio may trigger periodic rebalancing. In the a clients risk-loss parameters are met a clients account may be placed into custodied liquid account for portfolio replacement at the clients behest.

E\*Hedge provides access to information generally provided in a report to clients through [www.eHedgesecurities.com](http://www.eHedgesecurities.com). Also, E\*Hedge provides a detailed monthly report and the broker provides brokerage statements on a quarterly basis as well as transaction confirmations. Clients may review and compare statements prepared by E\*Hedge and broker with regard to activity, holdings and valuations.

## Disciplinary Action

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this online advisory business or the integrity of E\*Hedge.

E\*Hedge nor its management have ever been the subject of a bankruptcy petition.

## Code of Ethics

We have a written code of ethics that covers the following areas: ethical behavior, conflicts of interest, inside information, outside employment and directorships, acceptance of gifts and entertainment, confidentiality of company and client information, privacy, employment practices, workplace practices, conduct of audits and financial disclosures, anti-money laundering, compliance and reporting procedures, reporting violations, and waivers of the code. All prospective and current clients have a right to see our code of ethics. To request a copy of our ethics code please email [support@Ehedgewealth.com](mailto:support@Ehedgewealth.com).

E\*Hedges code of ethics is based upon the principle that its employees have a responsibility to our clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid:

- (i) Serving their own personal interests ahead of clients.
- (ii) Taking inappropriate advantage of their position with the firm.
- (iii) Any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

E\*Hedge nor individuals associated with our firm may not buy or sell securities identical to those recommended to clients for their accounts.