

**ITEM 1: COVER PAGE**

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**DISCLOSURE BROCHURE****(FORM ADV, PART 2A)****CORTEX APPLIED RESEARCH INC.****2489 BLOOR ST. WEST, SUITE 304  
TORONTO, ONTARIO, CANADA M6S 1R6****TEL: (416) 967-0252****FAX: (416) 967-2711****WWW.CORTEXCONSULTING.COM****JANUARY 25, 2019**

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This disclosure brochure ("Brochure") provides information about the qualifications and business practices of Cortex Applied Research Inc. ("Cortex"). If you have any questions about the contents of this Brochure, please contact us at (416) 967-0252 or [info@cortexconsulting.com](mailto:info@cortexconsulting.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or any state securities authority. Additionally, registration of an investment adviser does not imply a certain level of skill or training.

Copies of our current brochure may be requested by contacting Jenny Tam, Analyst, at (416) 967-0252 or [jtam@cortexconsulting.com](mailto:jtam@cortexconsulting.com).

Additional information about us is also available via the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**ITEM 2: MATERIAL CHANGES**

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This Brochure, dated January 25, 2019, was prepared for Cortex's initial registration with the SEC. Accordingly, there are no prior versions of the Brochure and there have been no amendments and no material changes made to the Brochure.

We will review and update our brochure at least annually to ensure that it remains current.

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**ITEM 4: ADVISORY BUSINESS**

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- A. Cortex Applied Research Inc. (“Cortex”) was incorporated under the laws of the Province of Ontario, Canada in 1991. Cortex is owned entirely by Tom Iannucci, President of Cortex, through an investment company, ACE Investments Ltd. Cortex has no intermediate subsidiaries. Cortex provides management consulting services and investment advisory services to institutional investors. This Brochure is largely focused on our investment advisory services.
- B. For most of the firm’s history, Cortex’s services consisted of management consulting services, primarily to institutional investors. Such management consulting services largely consisted of board governance consulting, board education, and strategic planning. Such services do not constitute investment advisory services. Cortex now also offers specialized investment advisory services to assist clients in the process of selecting non-discretionary and discretionary investment consultants, also referred to under ERISA as 3(21) and 3(38) fiduciaries respectively. We refer to these services as consultant search services (“Search Services”). More specifically, our Search Services consist of helping clients:
- i. Identify the type of investment consultant they need (e.g. 3(21) vs. 3(38) fiduciary);
  - ii. Identify the scope of services to be provided by such consultant;
  - iii. Identify the evaluation criteria to be used in evaluating firms and the relative weight of each criterion;
  - iv. Designing a request for proposals (“RFP”) to obtain bids from interested firms;
  - v. Tabulating and analyzing the bids received;
  - vi. Assisting clients in understanding and assessing the bids received; and
  - vii. General co-ordination of the search process.

Cortex has found that by providing clients with a detailed summary of the proposals in a format that allows for easy comparison, clients are readily able to select finalists and a winning bid themselves. Accordingly, Cortex typically does not provide recommendations and exercises no discretion over the selection of a firm.

- C. Cortex tailors our Search Services to the needs of each client. This may result in somewhat different search processes, different RFP designs, different approaches to the finalist interview process, more or less emphasis on certain evaluation criteria, etc.
- D. Cortex does not participate in wrap fee programs.
- E. Cortex does not manage client assets on either a discretionary or non-discretionary basis.

**ITEM 5: FEES AND COMPENSATION**

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All fees are subject to negotiation.

The specific amount and manner in which fees are charged is established in a client's written agreement. Fees are generally project-based, and may be fixed, hourly, or some combination thereof. The amount of the fees charged is based on a number of factors, including but not limited to, the scope and complexity of the Search Services involved. Cortex typically also charges clients for out-of-pocket expenses incurred in connection with a project covering travel-related expenses and sometimes external printing and courier costs.

Clients are generally billed in arrears and are invoiced directly for fees. We are not authorized to directly debit fees from client accounts. Upon termination of any client relationship, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Neither Cortex nor any of our supervised persons accepts compensation for the sale of securities or other investment products.

**ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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Cortex has no information applicable to this Item. Cortex does not receive performance-based fees and does not participate in side-by-side management.

**ITEM 7: TYPES OF CLIENTS**

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Cortex provides Search Services to a variety of institutional clients in both the public and private sectors. Clients include but are not limited to government and corporate pension plans (both defined benefit and defined contribution), endowments, foundations and other such institutional investors. Cortex has no policy regarding minimum size requirements for clients, offering services to smaller funds (e.g., under \$100 million assets under management) as well as larger funds (e.g., greater than \$1 billion).

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**ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS**

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Cortex does not offer investment advice or manage assets. Our investment advisory services are limited to Search Services, which involve assisting clients in running searches for discretionary and non-discretionary investment consultants. Our methods of analysis involve designing and issuing RFPs, tabulating the proposals received, and presenting information about the bidding firms in a format that facilitates comparison across the bidders. We then assist clients in assessing and ranking the bidders relative to evaluation criteria established by the client at the outset of the search. Our RFPs typically request that bidders provide certain investment performance-related data about their client accounts, multi-manager products, and/or composites which we then present to clients in a comparable format to further assist the client in evaluating the bidders. Cortex also routinely meets with investment consultants to learn about their non-discretionary and/or discretionary services and methods so that we may better educate our clients about these firms during searches.

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**ITEM 9: DISCIPLINARY INFORMATION**

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Cortex has no information applicable to this Item.

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**ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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- A. Neither Cortex nor any of its management persons is registered, nor do they have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Cortex nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Cortex has no affiliations or relationships with entities in the investment industry and therefore has no conflicts of interest in this regard.
- D. Cortex has never selected an investment advisor on behalf of a client, nor does it intend to do so in the future. While Cortex sometimes recommends a list of investment advisors to a client to be invited to submit proposals in connection with our Search Services, Cortex has never recommended that a client select a specific investment advisor, though we may do so in the future if a client so requests. In any event, Cortex does not receive compensation directly or indirectly from investment advisors, nor does it have business relationships with any investment advisor. Accordingly, Cortex has no material conflicts of interest in this regard.

**ITEM 11: CODE OF CONDUCT**

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Cortex has adopted a code of conduct (the “Code”) for all of our supervised persons describing our standard of business conduct and fiduciary duties to clients. The Code includes provisions relating to the confidentiality of client records and information, restrictions on the acceptance of any offers of financial compensation or remuneration and avoiding commercial ties with investment consultants, investment managers, brokers, custodians and other investment organizations, or clearly disclosing to affected client such ties if they exist, among other things. All supervised persons must comply with the Code at all times and acknowledge the terms of the Code annually, or as amended. It is our policy that none of our employees shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

Copies of our current brochure may be requested by contacting Jenny Tam, Analyst, at (416) 967-0252 or [jtam@cortexconsulting.com](mailto:jtam@cortexconsulting.com).

**ITEM 12: BROKERAGE PRACTICES**

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Cortex has no information applicable to this Item.

**ITEM 13: REVIEW OF ACCOUNTS**

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Cortex’s services do not include periodic review of client accounts or financial plans. Accordingly, Cortex has no information applicable to this Item.

**ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

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Cortex has no information applicable to this Item.

**ITEM 15: CUSTODY**

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Cortex has no information applicable to this Item. Cortex does not have custody of client funds or securities.

**ITEM 16: INVESTMENT DISCRETION**

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Cortex has no information applicable to this Item. Cortex does not accept nor exercise discretion to manage securities on behalf of clients.

**ITEM 17: VOTING CLIENT SECURITIES**

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Cortex has no information applicable to this Item. Cortex does not have or accept authority to vote client securities.

**ITEM 18: FINANCIAL INFORMATION**

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Cortex has no information applicable to this Item.

**ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISORS**

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Cortex has no information applicable to this Item.