

**Form ADV Part 2A**

**FeeX Institutional Investment Advisory Services**

**(marketed as “FeeX for Advisors”)**

**Brochure**



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June 1st, 2017

This brochure provides information about new service offerings by FeeX, Inc. (“FeeX”). Throughout this brochure and related materials, FeeX may refer to itself as a “registered investment adviser” or “being registered.” These statements do not in any way imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at: [support@feex.com](mailto:support@feex.com) or at: 1-888-677-3339. 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 FeeX is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2            Material Changes**

- This brochure describes services that FeeX offers to institutions.
- The services FeeX provides institutions (“FeeX for Advisors”) allow broker-dealers, investment advisers and their representatives to better understand the fees paid and services provided within a client’s retirement account (e.g. 401(k) or IRA) or investment account. This helps the investment advisers and broker-dealers follow a ‘client best interest’ approach when providing advice to their underlying clients in cases like a rollover or a transfer of accounts.

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## **Item 4            Advisory Business**

### **A. General Description of the Firm.**

FeeX, Inc. ("FeeX") is incorporated in Delaware, USA, with offices in New York, NY, USA. FeeX is a wholly owned subsidiary of FeeX Wisdom of the Crowds, Ltd. ("FeeX Ltd."), an Israeli company, with offices in Hertzliya, Israel.

FeeX provides investment advisory services, technology and information to its clients. FeeX Ltd. provides FeeX the algorithms and development aspects of the computer software-based web applications, and the ongoing technical support and management of the FeeX websites.

### **B. General Description of Advisory Services.**

FeeX offers computer software-based web applications that provide investment advice and information based on personal investor account information and other data it collects from various sources. FeeX's clients for this product (marketed as "FeeX for Advisors") can be investment advisers, broker-dealers or other institutions that provide advice to individual investors.

For the sake of clarity, the investment advisers, broker-dealers or other institutions that are FeeX clients with respect to the services described herein are referred to in this brochure as "institutions" or FeeX's "institutional clients." The underlying individual investors whom FeeX's institutional clients advise are referred to in this brochure as "underlying customers" or "underlying clients" of FeeX's institutional clients. The investment advisory services provided by FeeX through its website and applications to institutions are generally provided in the form of analyses of the current investment products and accounts held by the institutions' customers compared to other investment products and services that the institutions may recommend to their underlying customers as alternatives to the underlying customers' current holdings.

Note: Investment advisory services FeeX provides to retail clients are described in a separate brochure.

FeeX uses proprietary analytics and data that it acquires or otherwise obtains from publishers and/or vendors and/or its institutional clients:

- to determine or approximate the fees associated with the retirement or other investment held away accounts of the institutional clients' underlying customers and/or the investment products in those accounts;
- to compare the features available and fees associated with retirement and/or investment products and services currently used by the institutional clients' underlying customers with the features available and fees associated with the retirement and/or investment management and/or financial advisory products and services that the institutional clients may offer their underlying customers; and

- in some cases, to identify for the institutional clients certain retirement or other investment accounts, advisory services, mutual funds or exchange-traded funds (“ETFs”) that are, according to FeeX’s proprietary computer software-based applications, comparable to those currently used by the institutional client’s underlying customer.

FeeX’s institutional clients will pay FeeX a fixed fee to receive an account analysis from FeeX (see Item 5 below). FeeX can compare the current account of the institutional client’s underlying customer with a proposed portfolio or investments the institutional client offers. The fee FeeX charges will not be related to the actual advice or if the client accepted and/or took actions based on the advice the advisor provided to the client.

The nature of the services FeeX provides institutional clients and delivery method for the services depend on the specific contractual arrangement FeeX has with each institutional client. In some cases, institutional clients may license just software from FeeX and configure it with the institutional client’s own assumptions and parameters for comparing various investment products and services. In other cases, FeeX may provide the institutional client not only software but also investment advisory recommendations about how to configure the software, including recommended assumptions and parameters for comparing the asset classes, investment advisory services, and performance of various products and services. In cases where FeeX makes recommendations to its institutional clients, the institutional clients retain the sole authority to determine whether or not to follow all or part of FeeX’s recommendations and the extent to which the institutional clients will incorporate any advice they obtain from FeeX into their own advice to their underlying customers.

In some cases, FeeX electronically delivers its comparative analyses of investment products and services to the institutional clients’ representatives. In other cases, FeeX electronically provides its institutional clients with data feeds containing the comparative analyses that the institutional clients, in turn, provide electronically to their underlying customers. In all cases, FeeX’s institutional clients have contractual and investment advisory relationship with their underlying customers and FeeX does not.

Certain services that FeeX provides – including the analysis and comparison of retirement account administrative fees, the provision of information published by third parties about fund and account fees, and certain aspects of the technology and technical support FeeX provides – are not investment advice.

### C. Tailored Services and Investment Restrictions.

FeeX allows its institutional clients to tailor their advice to the individual needs of the institutional clients' underlying customers by basing its fee analysis and comparison and any advice it provides to institutional clients on information about the underlying customers' investments and accounts. The information the FeeX application uses is entered by the institutional clients' representatives or fed by the institutional clients' systems into FeeX's computer software-based application or obtained from third party publishers, such as Thomson Reuters. In some cases FeeX may use a third party vendor to supply account data electronically to FeeX for use in FeeX's proprietary computer software-based application. In some cases FeeX collects from its users the retirement plan's participant fee disclosure document (according to ERISA 404(a) regulations), and analyzes the plans to better understand the specific plan costs and investment options.

FeeX currently advises primarily on the fees and features associated with investment management and retirement products and services. To do this, the FeeX algorithms attempt to identify the relevant current accounts of the institutional client's underlying customer. Additionally, the FeeX algorithms may be used to help institutional clients identify, where possible, mutual funds or ETFs offered in the current investment or retirement accounts of the institutional clients' underlying customers that are, according to FeeX's algorithms, comparable to the funds that the client currently holds in the account.

If the FeeX application determines – using FeeX's assumptions, available information and estimates – that an underlying customer of the institutional client currently has the lowest cost combination of products and services among comparable products and services available and consistent with the client's filtering preferences, the FeeX interactive website will confirm this for the institutional client.

The FeeX application will – depending on an institutional client's preferences and based on information supplied by institutional clients, FeeX vendors, and publishers – provide an institutional client ongoing periodic analyses of and information about the fees the client pays for investment products and services.

### D. Wrap Fee Programs.

FeeX does not participate in wrap fee programs.

### E. Assets Under Management.

FeeX does not manage client assets.

## **Item 5            Fees and Compensation**

### **A. Fees and Compensation.**

FeeX charges the institutional client for its institutional investment advisory services – marketed under the name “FeeX for Advisors” – the following flat fees: (i) a fixed fee per representative of the institutional client who is registered as a user to the service and (ii) a fixed fee per analysis to receive an account analysis from FeeX. FeeX compares the current account of an institutional client’s underlying customer with a proposed portfolio or investments the advisor proposes to the client. The compensation FeeX receives does not directly or indirectly depend on the substance of any investment advice or on whether the client accepts and/or acts on the advice.

### **B. Fee Deduction.**

FeeX does not manage its clients’ assets, thus it does not deduct fees from the assets of its institutional clients or their underlying customers.

### **C. Other Fees and Expenses.**

FeeX institutional clients may pay FeeX additional fees for software programming, enhancements or consulting services provided by FeeX to customize the software for their specific use.

### **D. Pre-paid Advisory Fees.**

FeeX does not charge pre-paid fees, thus no refunds will be necessary.

### **E. Compensation for the Sale of Securities or other Investment Products.**

Neither FeeX nor any of its supervised persons accepts compensation for the sale of specific securities or other investment products in connection with the investment advisory or other services it provides institutional clients. (FeeX may get certain referral fees from providers of investment products or services in connection with the investment advice FeeX provides retail clients. See the separate Form ADV Part 2A brochure regarding retail investment advisory services for details.)

1. "No-load" funds.

FeeX typically recommends no-load funds over other types of funds, all other things being equal.

2. Option to purchase investment products.

FeeX provides institutional clients advice on whether the investment products and services used by the institutional clients' underlying customers have higher or lower costs than other products and services the institutional clients may recommend. The comparisons generated by FeeX technology are based, depending on the arrangement, on parameters (i) that FeeX proposes and the institutional clients review and determine to adopt in their sole discretion or (ii) that the institutional clients propose and adopt in their sole discretion. In connection with its institutional services, FeeX does not provide investment advice directly to, manage assets of, enter into any agreement or contractual relationship with, or receive any compensation from its institutional clients' underlying customers. Rather, the institutional clients retain complete authority to decide to what extent their representatives or systems will pass along advice FeeX provides the institutional clients to their underlying customers. To the extent any comparative analyses made using FeeX technology of the aggregate fees charged in connection with any investment products or services result in recommendations to institutional clients' underlying customers that they purchase, hold, or sell securities or open or close accounts, those recommendations are made by the institutional clients, not FeeX.

3. Commissions and other compensation for the sale of investment products.

FeeX does not receive commissions or other compensation for the sale of investment products in connection with the investment advisory and other services it provides institutional clients.

4. Advisory fees with commissions or markups.

FeeX does not charge commissions or markups.



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

Neither FeeX nor any of its supervised persons accepts performance-based fees.

**Item 7            Types of Clients**

The institutional clients to which FeeX provides investment advisory and other services through its “FeeX for Advisors” offerings are investment advisers, broker-dealers, insurance companies, and other institutions that advise individual investors on investment accounts, products and/or services. (FeeX’s retail clients to which FeeX provides investment advisory services through other FeeX services are described in a separate Form ADV Part 2A brochure.)

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

### **A.    Methods of Analysis and Investment Strategies.**

The methods of analysis FeeX employs in formulating investment advice include: (i) the identification of all fees associated with the current account, including but not limited to: investment fees (expense ratios), recordkeeping fees, administrative fees, advisory fees, transaction fees, custody fees and other fees associated with the account; (ii) when relevant, investment products comparable (subject to the limitations of FeeX's algorithms and the assumptions and parameters provided or adopted by FeeX's institutional clients) to those currently held by institutional clients' underlying customers; and (iii) the identification of financial services comparable features (subject to the limitations of FeeX's algorithms and the assumptions and parameters provided or adopted by FeeX's institutional clients) to those features currently received by institutional clients' underlying customers.

Institutional clients are strongly encouraged to conduct their own analysis of the methodologies employed by FeeX in making its recommendations. The fact that a recommendation is generated by FeeX's proprietary technology or incorporated into advice provided by institutional clients to their underlying customers should not be interpreted as a guarantee of overall future performance. Investing in securities involves risk of loss that FeeX clients should be prepared to bear.

### **B.    Risk Factors.**

There is a risk that FeeX could recommend products or services of an institutional client or other provider that are less costly but of a lower quality than the services the institutional client's underlying customer currently uses. FeeX's analysis and advice are based on assumptions made by its institutional clients, whether such assumptions are recommended to the institutional client by FeeX or developed by the institutional client without FeeX advice, that retirement and/or investment products and services within certain categories or addressing certain strategies or objectives are comparable. However, there are no guarantees that the assumptions that generate FeeX advice to institutional clients will effectively predict future fees, performance, holdings, strategies, and objectives of various investment products and services. There may be differences in the scope, content, quality and delivery of products and services offered by various third party investment advisers and financial services providers. It is each institutional client's responsibility to find out and carefully consider the products and services it provides in relation to underlying customers' needs and current investment situation.

There is a risk that estimates, or other calculations made by FeeX's computer software-based application, would be based on inaccurate assumptions. For example, some estimates of fees paid by institutional clients' underlying customers to date are based on assumptions developed or adopted by institutional clients about activity to date in their underlying customer's current account. The estimates of fees paid for a past period may differ from fees actually paid for that period if actual past account activity differs from assumed past account activity.

There is a risk that, despite its efforts, FeeX could perform calculations and recommend an institutional client or other financial services provider based on inaccurate or incomplete data about fees and costs of investment advisory or other financial products or services. FeeX bases its advice on the data provided by the client and the data FeeX acquires from publishers like Thomson Reuters, other vendors like Envestnet Yodlee or other data sources such as government filings, and publicly available information or crowdsourced information contributed by other users. FeeX is not responsible for inaccurate or incomplete data provided by clients, external publishers, vendors or other data sources. FeeX believes that the data that it obtains about fees charged by third party investment advisers and other financial institutions and retirement account service providers is accurate, but it may not be. Subject to its fiduciary duties to its institutional clients under federal securities laws, FeeX makes no representation, warranty or guarantee that data about costs, products or services that FeeX receives from publishers or its vendors or clients and uses in its calculations and advice is accurate, complete or up to date. FeeX is not responsible for changes that may occur from time to time in fees charged by other financial institutions or retirement account service providers.

### C. Material Risks of Investing in Mutual Funds and ETFs.

The FeeX computer software-based application and interactive website may recommend one or more mutual funds or ETFs to clients that FeeX estimates to be comparable to, and less costly than, the client's current mutual or ETF holdings. In deciding whether a recommended mutual fund or ETF is comparable to current holdings of an institutional client's underlying customer, the FeeX algorithms consider and analyze information available from publishers like Thomson Reuters about the funds' past expenses, performance, asset allocation, and category classification. However, mutual funds, ETFs or investment advisory services recommended by FeeX to institutional clients might, depending on the circumstances and despite FeeX's efforts, perform worse or cost more than their underlying customers' current holdings. FeeX cannot and does not guarantee that any mutual fund, ETF or investment adviser will perform better than, or as well as, any other.

Investing in mutual funds or ETFs, like investing in any securities, carries a risk that the investor will lose all or part of the amount invested.

## **Item 9            Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to any client when evaluating our services.

FeeX does not have any legal, financial, regulatory, or other disciplinary events to report. This statement applies to the company and to its employees.

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

### **A. Broker Dealer Affiliations.**

Neither FeeX nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

### **B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor.**

Neither FeeX 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. Relationships Material to FeeX's Advisory Business.**

In the "FeeX for Advisors" institutional segment of its business, FeeX has material relationships with institutional clients and vendors that publish or aggregate information about investments and investors.

FeeX may enter into arrangements whereby it is compensated for its retail investment advisory services by unaffiliated broker-dealers to which it refers clients. This could create conflicts of interest. For further details, see Item 10.D below and the separate Form ADV Part 2A brochure regarding FeeX retail investment advisory services.

FeeX does not have any arrangements with pooled investment vehicles (including a closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund).

FeeX does not currently have but may enter into arrangements with an investment company (including a mutual fund and/or ETF manager).

FeeX does not have any arrangements with a futures commission merchant, commodity pool operator, or commodity trading advisor.

FeeX does not currently have but may enter into arrangements with unaffiliated banking institutions.

FeeX does not have any arrangements in which it is compensated by or affiliated with accountant or accounting firm, a lawyer or law firm, a pension consultant, a real estate broker or dealer, or a sponsor or syndicator of limited partnerships.

### **D. Compensation from Investment Advisers Recommended to Clients.**

In connection with the services FeeX provides institutional clients, it receives no compensation from other investment advisers for referrals of investment advisory clients. FeeX may provide the investment adviser advice about the relative suitability of the

adviser's products and services for the adviser's underlying customers in exchange for fixed subscription and/or usage fees that do not depend on whether FeeX advises the adviser that its products and services are or are not more suitable than current products and services used by the adviser's underlying customer.

In connection with services FeeX provides retail clients, FeeX may receive compensation from the third party investment advisers and/or other financial services providers to which it refers clients. For further details, see the separate Form ADV Part 2A brochure regarding FeeX's retail investment advisory services.

FeeX's practice of accepting compensation from institutional clients for the services it provides could create an incentive for FeeX to advise the institutional clients that the institutional clients' products or services are better for their underlying customers than investment products and services offered by other institutions, including the underlying customers' current service provider(s). FeeX mitigates this potential conflict by: (i) basing the amount of its compensation on the number of users at an institutional client and/or the volume of usage by or through an institutional client and receiving no compensation based on the content of its recommendations or other advice; and (ii) basing its advice on objective criteria for comparing asset classes, performance and fees associated with investment products and services provided by institutional clients and their competitors.

FeeX's practice of accepting compensation for the sale of advisory or retirement plan administration services in connection with its retail investment advisory services creates various potential conflicts of interest that could impact its institutional advisory services. For example, FeeX might have an incentive to recommend that an institutional client's underlying customer remain with an existing financial service provider that separately compensates FeeX for referrals of retail clients. FeeX mitigates this potential conflict by not in any way considering in its comparison of investment products and services whether any institution that currently provides or prospectively may provide an institutional client's underlying customer or prospective customer with products or services has any contractual relationship with FeeX.

FeeX places investors' interests first, including by empowering institutional clients with information about the layers of fees that providers of investment products and services charges but that may be hidden or otherwise not readily apparent to the institutional client. FeeX addresses conflicts of interest inherent in its compensation arrangements by openly disclosing the conflicts in this brochure, the separate brochure regarding its retail investment advisory services and client communications and by mitigating them wherever possible.

One critical way FeeX mitigates the conflicts of interest inherent in its compensation arrangements is by trying to take all necessary steps to program its computer software-based applications so that the institutional client will only receive recommendations of products and services that FeeX estimates will benefit the institutional client in the institutional client's efforts to benefit its underlying customers.

FeeX understands that for FeeX to be successful, its clients must trust FeeX to provide unbiased information about the costs of different products and services, regardless of any compensation arrangements. FeeX makes considerable efforts each day to earn this trust.

The primary purpose of the services FeeX provides institutional clients is to help institutional clients mitigate their own conflicts of interest. FeeX pursues this purpose by providing services designed to assist institutional clients in analyzing and, as they deem appropriate, sharing with their underlying customers information about the costs of the investment products and services they recommend or provide relative to the costs of other products and services the underlying customers currently use.



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

### **A. Code of Ethics.**

FeeX has adopted a Code of Ethics to prohibit conflicts of interest from personal trading by the personnel involved in the generation of our investment advice and have established standards of conduct expected of our supervised persons. FeeX's Code of Ethics states general principles and requires: courses of conduct; reporting of potential ethics issues; and acknowledgment, review and enforcement of the Code of Ethics. It requires all FeeX supervised persons to adhere to high ethical standards in fulfilling FeeX's duties to its clients. The Chief Compliance Officer reviews relevant personal holdings, transactions and offering participation for potential misuse of material nonpublic information. In general, the likelihood that FeeX will possess material nonpublic information and the risks that FeeX will misuse such information are significantly lower than in the case of typical investment advisers, since FeeX does not manage investments or recommend specific securities. FeeX will provide a copy of the Code of Ethics Policy to its clients or prospective clients upon written request.

### **B. Securities Recommendations**

FeeX is not compensated based on the content or nature of any securities recommendations FeeX makes to institutional clients. Rather, FeeX's securities recommendations to institutional clients regarding the institutional clients' underlying customers are objectively based on parameters and assumptions developed or adopted by its institutional clients and published information about the fees associated with investment products and services.

### **C. Securities Transactions.**

FeeX may recommend a mutual fund or ETF to clients, including institutional clients, in which its related persons invest. The mutual funds and ETFs FeeX recommends are not generally susceptible to front running, manipulation or insider trading. FeeX does not anticipate that it will possess material nonpublic information about any such mutual fund or ETF. For these reasons, FeeX does not anticipate that any recommendations of mutual funds or ETFs will benefit any investments by related persons of FeeX in the same mutual funds or ETFs. The FeeX Code of Ethics will include the review of the relevant holdings of and transactions in securities of related persons.

### **D. Recommending Securities to Clients.**

The investments described in Item 11.C by related persons of FeeX in mutual funds or ETFs recommended by FeeX may or may not be at or about the same time as FeeX's automated recommendations.



## **Item 12      Brokerage Practices**

### **A. Broker Dealer Recommendations.**

#### **1. Research and Other Soft Dollar Benefits.**

FeeX does not receive products or services from a broker-dealer or third party in connection with client securities transactions.

#### **2. Brokerage for Client Referrals.**

FeeX does not select broker-dealers for clients or recommend broker-dealers to clients for the execution of specific transactions.

FeeX does not direct client transactions to broker-dealers.

#### **3. Directed Brokerage.**

FeeX does not execute client transactions through any broker-dealer.

### **B. Aggregation of Securities Purchase.**

FeeX does not assemble or place orders for the purchase or sale of securities with client accounts.

## **Item 13      Review of Accounts**

### **A. Periodic Review of Client Accounts.**

The FeeX computer software-based application can – depending on an institutional client's preferences and based on information supplied by clients, FeeX vendors, and publishers – continue to estimate and analyze the costs and features associated with the client's accounts and/or investments. In these situations, it is the institutional client's duty to request an updated analysis for their underlying customer, and FeeX will automatically provide the institutional client with the ongoing estimates of the fees the institutional client's underlying customer pays for investment products and services and links to additional information available through the FeeX interactive website. FeeX does not periodically review the financial plans.

### **B. Factors that Trigger a Review.**

FeeX account reviews are triggered by events determined by institutional clients according to their contractual arrangements with FeeX. The FeeX computer software-based applications review information about institutional clients' underlying customers' accounts when supplied by institutional clients to FeeX, as well as related information FeeX obtains from publishers or its vendors.

### **C. Reports Provided to Clients.**

The FeeX interactive website provides automated reports that analyze the fees clients currently pay for investments or other financial services. These reports are provided according to the institutional clients' preference.

**Item 14      Client Referrals and Other Compensation**

A. Compensation for Client Referrals.

In connection with the services it provides institutional clients, FeeX does not receive compensation for client referrals.

B. Compensation of a Person who is not a Supervised Person.

Neither FeeX nor any related person directly or indirectly compensates any person who is not a supervised person for client referrals.

**Item 15**      **Custody**

FeeX does not have custody of client funds or securities.

## **Item 16      Investment Discretion**

FeeX does not accept discretionary authority to manage securities accounts on behalf of clients, including without limitation its institutional clients.

## **Item 17      Voting Client Securities**

FeeX does not have authority to vote client securities. Clients should not, therefore, contact FeeX with questions about voting, proxies or other solicitations. Clients should review the brochures of third party investment advisers or other financial institutions recommended by FeeX, as applicable, for information about voting, proxies or other solicitations.



**Item 18      Financial Information**

FeeX does not solicit prepayment of fees from or otherwise charge fees to its clients.

**Item 19            Requirements for State-Registered Advisers**

FeeX is not registering with any state securities authorities.