

## Firm Brochure - Form ADV Part 2A

September 10, 2020

This Brochure provides information about the qualifications and business practices of Fenix Asset Management, LLC ("Fenix"). If you have any questions about the contents of this Brochure, please contact Fenix Asset Management, LLC at +1 (646) 652-6561 or by email at: [mobrown@fenixassetmanagement.com](mailto:mobrown@fenixassetmanagement.com).

Additional information about Fenix is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Fenix's (CRD#291069 / SEC#801-112181). Registration as an Investment Adviser does not imply a certain level of skill or training.

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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## Significant Changes in this Brochure from Previously Distributed Material:

The following are the significant changes made to the material presented in this brochure and to the Form ADV filed with the U.S. Securities and Exchange Commission ("SEC"):

- Section 14 has been updated to more accurately reflect existing client referral agreements and compensation

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#### Item 4 - Summary of Our Advisory Business

Fenix Asset Management, LLC ("Fenix") is an investment advisory firm located in New York City, New York. Fenix was organized as a Limited Liability Company organized in the State of Delaware on October 18, 2017. As of July 15, 2020, Fenix had approximately \$57,093,500 in assets under management ("AUM") on a discretionary basis and approximately \$1,614,650 under management on a non-discretionary basis.

Prior to engaging Fenix to provide investment advisory services, each client is required to enter into an Advisory Agreement ("AA") with Fenix that defines the terms, conditions, authority and responsibilities of Fenix and the Client. Currently, Fenix Asset Management provides the following investment advisory services:

#### Investment Management and Supervision

Fenix Asset Management has entered into agreements with Non-U.S. Investment Advisors domiciled outside the United States. These "Foreign Advisors" affiliated with Fenix Asset Management and may or may not be registered with any regulatory investment authority in the country of domicile of the client.

Foreign Advisors will refer non-U.S. clients to Fenix Asset Management which will facilitate the opening of one or more U.S.-based brokerage accounts on behalf of the advisory client. Advisory accounts may be established on either a discretionary or non-discretionary basis. A discretionary account gives the Foreign Advisor limited discretionary authority over the client accounts and permits them to execute orders to buy or sell securities in client accounts without contacting the client. A non-discretionary account permits the Foreign Advisory to execute orders to buy or sell securities in client accounts only after contacting and receiving consent from the client. All advisory accounts, both discretionary and non-discretionary, do not permit the Foreign Advisor authority to initiate any movement of client funds or the transfer of client securities into, out of, or between client accounts.

Unless the client directs us to use a different broker-dealer, all U.S.-based brokerage accounts for advisory clients will be established through Fenix Securities, a U.S. brokerage firm and an affiliate of Fenix Asset Management. Fenix Securities has contracted with a qualified U.S. clearing firm to execute, clear and settle securities transaction conducted within the client account. The clearing firm will also be the custodian of the client funds and securities which will be maintained in a separate account, for the Client, under Client's name. The client will retain rights of ownership of all securities and funds in the account to the same extent as if the client held the securities and funds outside their advisory account. Clients will receive from the clearing/custodian firm timely confirmations and at least quarterly statements containing a description of all transactions and all activity conducted within the client brokerage account (See sections titled "Custody" and "Other Financial Industry Activities and Affiliations").

Fenix Asset Management will consult with the Foreign Advisors and will assist with such matters as the collection, review and approved of account opening documentation to determine the client's financial situation, investment objectives, time horizon and risk tolerance. Fenix Asset Management will also provide on-going supervision of client advisory accounts based on these criteria.

Fenix Asset Management seeks to provide that investment decisions are made without placing the interests of Fenix Asset Management ahead of its clients. To meet its fiduciary obligations, Fenix attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage any client account.

#### Item 5 - Fees and Compensation

The advisory fees for managed discretionary accounts will be a percentage of assets under management. The advisory fees for accounts referred by Foreign Advisors will be primarily determined by the Foreign Advisor and will be largely based on a percentage of assets in the account. We will retain 10% of such fee and the Foreign Advisor will receive 90% of such fee. Fees may vary based upon the size of an account, as well as the objectives and complexity of the account. The agreed upon fee structure for each client will be attached as "Schedule I" to the Advisory Agreement executed by the client.

#### Minimum Annual Fee:

A minimum annual fee may be established for accounts with a limited value to the assets under management in the client account. These minimum fees may be charged monthly, quarterly, semi-annually or annually as agreed upon between the Foreign Advisor and the client. The minimum annually fee will be divided by the number of months in the billing period.

The minimum annual fee may be higher on a percentage basis than fees charged based on assets under management or other fee agreements but will be capped at the equivalent of 2% of the client account's total value on the last day of the billing period.

The Foreign Advisor may waive the minimum fee for any part of, or all of the billing period.

#### Percentage of Assets Under Management:

Asset based fees are stated as an annualized percentage of assets under management ("AUM") which include the combined value of securities, cash balances, accrued interest and dividends held within the advisory account.

Advisory fees may be calculated using a single percentage rate or on a sliding scale of percentage rates. A single percentage rate would assess a one percentage fee on all assets in the portfolio. A sliding scale of percentage rates would assess a different percentage fee for the value of assets within each level. The following is an example of a sliding scale percentage rate fee structure:

| Assets Under Management |               | Advisory Fee |        |
|-------------------------|---------------|--------------|--------|
| Between                 | And           | Between      | And    |
| \$ 25,000               | \$ 100,000    | 3.00 %       | 2.00 % |
| \$ 100,001              | \$ 500,000    | 1.99 %       | 1.50 % |
| \$ 500,001              | \$ 1,000,000+ | 1.49 %       | 0.25 % |

Any actual fee may be more or less than the ranges reflected in the sliding scale published by Fenix Asset Management. The specific single percentage rate of the sliding scale of percentage rates for each advisory account will be stated in Schedule I of the Advisory Client Agreement.

Declines in the AUM value due to declines in the market value of securities in the account will not trigger a higher advisory fee assessed on the account. However, declines in the account value resulting from client withdrawals of cash balances and/or securities positions will trigger an increase in the annual advisory fee percentage.

Advisory fees may be calculated and billed on a monthly, quarterly, semi-annually or annually (the billing period) as agreed upon between the Foreign Advisor and will be stated in Schedule I of the Advisory Client Agreement.

Advisory fees will be calculated in one of the following ways:

1. Fenix Asset Management has access to a record maintained by the clearing firm which totals the daily closing balance of all assets in each client account during the billing period and then divides that total by the number of calendar days in the billing period. The resulting average daily account balance figure will then be multiplied by the annual advisor fee percentage divided by the number of months in the billing period.
2. Fenix Asset Management may use the total value of the client account as of the close of business on the last settlement date of the billing period. This closing account value will be multiplied by the annual advisory fee percentage divided by the number of months in the billing period.

Advisory fees are payable in arrears for advisory services provided – Fenix Asset Management does not collect advisory fees in advance.

Fenix Asset Management may waive, at its discretion, the first month's advisory fees to provide the client with sufficient time needed to fully establish, fund and transfer securities positions into an account. Likewise, Fenix Asset Management may waive, at its discretion, the fee on the value of large cash deposits and securities positions transferred into the advisory account made within five market days before the end of the billing period.

#### Hourly Fees

If agreed upon by both the client and Fenix Asset Management, an hourly advisory fee may be charged in lieu of other advisory fees described above. Such hourly fee shall be negotiated between the client and Fenix Asset Management.

#### Payment of Advisory Fees and Other Charges

The payment of advisory fees is due on the first market day after the fee calculation date as described above. Clients will be required to authorize the clearing/custodian holding the client funds and securities to deduct the Fenix advisory fees directly from the client account in accordance with billing information prepared by Fenix. Fenix will not provide clients with an invoice for advisory fees in advance of the payment due date but will make available to clients a statement detailing the fee calculation at the time the advisory fee is deducted from the client account. The custodian will also provide the client an account statement (typically monthly but not more than quarterly) reflecting all advisory fee withdrawals from the account. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian is not responsible for making any advisory fee calculation or for determining the accuracy or timing of the advisory fee calculation.

In addition to the advisory fees charged by Fenix, clients may also incur certain charges imposed by affiliated and unaffiliated third parties. Such charges may include, but are not limited to, fees charged by other investment managers, custodial fees, brokerage commissions and transaction fees, electronic fund transfer fees, and other fees and taxes on brokerage accounts and securities transactions.

The client may also incur charges imposed directly by a mutual fund, index fund, or exchange traded fund purchased in the client account (e.g., fund management fees and other fund expenses) as disclosed in the fund's prospectus).

#### Item 6 - Performance-Based Fees

Fenix Asset Management does not charge performance-based incentive fees to client advisory account.

#### Item 7 - Types of Clients and Account Requirements

Fenix generally provides advisory services to the following types of clients who are non-U.S. citizens:

- ✓ High Net Worth Individuals
- ✓ Individuals
- ✓ Corporate and Institutional Clients

The minimum account size that shall be accepted by Fenix is twenty-five thousand U.S. dollars (USD \$25,000) and the Client may add to or withdraw funds from its investment account in any increment at any time. Fenix may waive the minimum account size in its sole discretion.

#### Item 8 - Method of Analysis, Investment Strategies, and Risk of Loss

##### Accounts Managed by a Foreign Advisor

Advisory Accounts referred by a Foreign Advisor are generally managed principally by the Foreign Advisor, with Fenix Asset Management providing certain additional services. Therefore, each advisory client should obtain a written summary from the Foreign Advisor outlining the risk analysis and investment strategy to be used by the Foreign Advisor in determining the securities to be purchased and sold within the advisory account.

##### Accounts Managed by a Fenix Advisor

Advisory accounts managed by an Advisor employed by Fenix Asset Management will be managed using both fundamental and technical strategies developed by its Managing Director, Mr. Galvez. Mr. Galvez has developed strategies that are methodical, time tested, and data driven, that he feels are superior to comparable benchmarks on both an absolute and risk-adjusted basis. Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. Technical analysis involves the analysis of past market data; primarily price and volume.

Fenix includes fundamental analysis, and momentum analysis to identify potential price inefficiencies in the market. As a general rule, Fenix employs strategic asset allocation strategies for portfolio management. Fenix may sometimes use passive-managed index and exchange traded funds when appropriate. Fenix minimizes market risk by maintaining a certain level of liquidity. Fenix also diversifies portfolios to control the risk associated with traditional markets.

Fenix has a specific investment and trading strategy and Fenix accepts clients whose investment objectives, risk profile and time horizons are a fit for that investment strategy. The client may change these objectives at any time. The client's goals and objectives are recorded during meetings and via correspondence with the client. Each client portfolio is constructed solely for that client. We do not use model portfolios, and we do not utilize composites to illustrate results.

##### *Accuracy of Public Information Risk*

Fenix selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made publicly available by the issuers or through sources other than the issuers. Although Fenix evaluates this information and data and ordinarily seeks independent corroboration as appropriate and reasonably available, Fenix is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

##### *Short Selling*

Fenix's investment strategy will involve seeking to profit from securities believed to be overvalued by entering into short sale positions, both directly and indirectly through the use options, ETFs, and other trading instruments. When Fenix effects a short sale in a client's account, the client may be obligated to leave the proceeds thereof with the custodian and also deposit with the custodian an amount of cash or other securities that is sufficient under any applicable margin or similar regulations to collateralize its obligation to replace the borrowed securities that have been sold. Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities. Short selling allows the client to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. In certain cases, a short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the client of buying those securities to cover the short position. There can be no assurance that the client will be able to maintain the ability to borrow securities. In such cases, the client can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender).

There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Any gain resulting from a short sale will be decreased (and any loss will be increased) by the transaction costs incurred in connection with the short sale.

#### *Leverage and Financing Risk*

Fenix believes that the use of leverage may enable the client to achieve a higher rate of return. While leverage presents opportunities for increasing the client's total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by the client would be magnified to the extent the client is leveraged. The cumulative effect of the use of leverage by Fenix in a client's account.

a market that moves adversely to the client's investments could result in a substantial loss to the client which would be greater than if the client were not leveraged. The use of leverage may create interest expenses for the client, which can exceed the investment return from the borrowed funds. To the extent the investment return derived from securities purchased with borrowed funds exceeds the interest the client will have to pay, the client's investment return will be greater than if leverage were not used. Conversely, if the investment returns from the assets acquired with borrowed funds is not sufficient to cover the cost of leveraging, the investment return of the client will be less than if leverage were not used.

In general, the anticipated use of short-term margin borrowings results in certain additional risks to the client. For example, should the securities pledged to brokers to secure the client's margin accounts decline in value, the client could be subject to a "margin call," pursuant to which the client must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged Securities to compensate for the decline in value, which could result in substantial losses. In the event of a sudden drop in the value of the client's assets, the client might not be able to liquidate assets quickly enough to satisfy its margin requirements.

#### *Uninvest Assets*

Assets not invested in securities or deposited as margin or paid as premiums generally will be invested in money market instruments, including, without limitation, Treasury notes and bills, certificates of deposit, commercial paper, broker balances, bankers' acceptances, repurchase agreements or mutual funds that invest in such securities. For temporary defensive purposes, a client's account may consist of cash or other money market instruments.

#### *Portfolio Turnover*

Fenix will actively manage client accounts. Fenix may make adjustments to the client's portfolio if it believes that market conditions or research opinions affecting the market or individual issues warrant such action or as a result of changes in Fenix's risk tolerance or to take advantage of short-term trading opportunities. Accordingly, a client's account may be expected to turn over frequently during the course of a year. In such circumstances, the client may have a higher portfolio turnover rate and pay greater brokerage commissions than portfolios with a lower portfolio turnover rate.

#### *Risks Associated with Investments*

Any investment carries certain market risks. Investments may decline in value for any number of reasons over which Fenix may have no control, including changes in the overall market for equity and/or debt securities, and factors pertaining to particular portfolio securities, such as management, the market for the issuer's products or services, sources of supply, technological changes within the issuer's industry, the availability of additional capital and labor, and other similar conditions. The value of a client's portfolio will fluctuate, and there is no assurance of capital growth. The profit (or loss) derived from investment transactions consists of the price differential between the price of the securities purchased and the value ultimately realized from their disposition, plus any dividends or interest received during the period that the securities are held, less transaction costs (consisting mainly of brokerage commissions). If investment held long (held short) do not increase (decrease) in value as *anticipated*, Fenix may sell them without a gain or at a loss.

#### *Equity Securities*

A security investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

#### *Fixed Income Investments*

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk.

As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities. Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

#### *Exchange Traded Funds (ETFs)*

An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

#### Item 9 - Disciplinary Information

Fenix Asset Management has not been the subject of any criminal, civil or regulatory administrative actions.

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

Fenix Asset Management is an affiliate company to Fenix Securities through the indirect common ownership and common control by Mr. Galvez. Mr. Galvez's indirect ownership is through Fenix Financial LTD which is the majority member (i.e. parent company) of both Fenix Asset Management and Fenix Securities. Mr. Galvez is the majority member of Fenix Financial LTD.

Both Mr. Brown and Mr. Galvez are Registered Representatives and Registered Principals with Fenix Securities.

Mr. Brown is also the President and founder of B/D Solutions Consulting which provides regulatory compliance and financial consulting to Fenix Securities and other unaffiliated broker-dealers clients. As part of his activities with B/D Solutions, Mr. Brown primarily holds a registration as Financial & Operation Principal with his client firms.

Neither Fenix Asset Management nor Mr. Galvez is registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

Fenix has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Fenix's Code of Ethics is available free upon request to any client or prospective client.

Fenix does not recommend that clients buy or sell any security in which a related person to Fenix or Fenix has a material financial interest. From time to time, representatives of Fenix may make trades and investments for their own accounts. In these accounts, they may use trading and investment methods that are similar to, or substantially different from, the methods used by them to direct client accounts. The records of these personal accounts will not be made available to clients. From time to time, representatives (i.e., Mr. Julian Galvez) of Fenix may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Fenix to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Fenix will never engage in trading that operates to the client's disadvantage if representatives of Fenix buy or sell securities at or around the same time as clients.

#### Item 12 - Brokerage Practices

Unless directed otherwise by the client, all advisory accounts will have a brokerage account established with Fenix Securities, a U.S. broker-dealer which is registered with the United States Securities and Exchange Commission ("SEC") and a member the Financial Industry Regulatory Authority ("FINRA") and a member of the Securities Investor Protection Corporation ("SIPC").



Fenix Securities has contracted with one or more unaffiliated U.S. brokerage firms (also registered with the SEC and members of FINRA and SIPC) which are authorized to take possession and control of investor funds and securities and to maintain the recordkeeping of all activity in the customer accounts of Fenix Securities. These firms (also known as "clearing firms") are responsible for the execution of trades, and the settlement and clearance (record of ownership) of the securities bought, sold and held in the brokerage account.

As such, the clearing firm will be the "custodian" of the client funds and securities which will be maintained in a separate account, for the Client, under Client's name. The client will retain rights of ownership of all securities and funds in the account to the same extent as if the client held the securities and funds outside their advisory account. Clients will receive from the clearing/custodian firm timely confirmations and at least quarterly statements containing a description of all transactions and all activity conducted within the client brokerage account (See sections titled "Custody" and "Other Financial Industry Activities and Affiliations").

The establishment of an advisory account and an associated brokerage accounts with Fenix Securities does not relieve Fenix Securities' duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and Fenix Securities may also consider the market expertise and research access provided by the clearing firm/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided that may aid in Fenix Securities' research efforts.

Fenix Asset Management and Fenix Securities' objective in selecting brokers to effect portfolio transactions is to seek the best combination of price and execution for Clients. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors are considered as they are deemed relevant. In applying these factors, Fenix Securities recognizes that different broker-dealers may have different execution capabilities with respect to different types of securities. In determining whether a particular broker-dealer or clearing firm is likely to provide best execution, Fenix Asset Management takes into account all factors that it deems relevant to the broker-dealer's execution capability.

Fenix Securities has no formal soft dollars' program in which soft dollars are used to pay for services, and it does not receive research, products, and/or other services from clearing firms/custodians as "soft dollar benefits" in connection with client securities transactions.

On a case-by-case basis, Fenix Asset Management may permit clients to direct it to execute transactions through a specified broker-dealer other than Fenix Securities. If an advisory client directs Fenix Asset Management to establish a brokerage account with a specified broker-dealer, the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to Fenix Asset Management to select brokers. This direction may result in higher commissions, which may result in a disparity between Fenix Securities and directed accounts; and trades for the client and other directed accounts may be executed after trades for Fenix Securities accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

#### Item 13 - Review of Accounts

All advisory client accounts both managed by Fenix Asset Management and managed by Foreign Advisors are reviewed periodically, but not less often than semi-annually, by Fenix Asset Management. Other than semi-annual reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance). Clients receive at least quarterly an account statement from the clearing firm/custodian detailing the client's account, including assets held, asset value, and fees deducted. Fenix Asset Management does not provide additional written reports or analysis of advisory accounts. All advisory account statements will be sent by the clearing firm/custodian and all advisory clients are recommended to carefully review their account statements for accuracy.

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

Fenix Asset Management does not receive any payment or other economic benefit, directly or indirectly from any third-party provider, sponsor, or underwriter for the recommendation of any specific investment for any advisory account. Fenix may directly, or indirectly through Fenix Securities, enter into referral agreements to compensate third-party persons or entities who provide referrals of potential clients to Fenix Securities. The referral compensation paid by Fenix Securities may be in the form of transaction-based compensation or the payment of a per-account referral fee.

#### Item 15 - Custody

When advisory fees are deducted directly from client accounts by the clearing firm/custodian the advisory fees are collected by Fenix Securities and paid to Fenix Asset Management. Fenix Asset Management is required to have written authorization from the client to deduct applicable fees. Clients will not receive an invoice in advance from Fenix Asset Management but rather will receive a statement detailing the advisory fees at the time they are deducted from the advisory account. Clients should carefully review those statements for accuracy.

Fenix Asset Management is required to comply with and meet the following safeguards with respect to advisory client's funds and securities:

##### *Written Authorization*

The investment adviser must have written authorization from the client to deduct fees from the account held with the clearing firm/custodian;

##### *Notice of fee deduction*

Each time a fee is directly deducted from a client account, and Fenix Asset Management must concurrently:

- i. Send the clearing firm/custodian an invoice specifying the amount of the fee to be deducted from the client's account; and
- ii. Send the client an invoice specifying and itemizing the fee. Itemization includes the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee;
- iii. The custodian sends statements to the clients showing all disbursements for the custodian account, including the amount of the advisory fee. Statements should coincide with the investment adviser or investment adviser representative billing period.
- iv. The investment adviser notifies the regulator in writing that the investment adviser intend to use the safeguards provided above. Such notification is required to be given on Form ADV.

#### Item 16 - Investment Discretion

Fenix Asset Management provides both discretionary and non-discretionary investment advisory services to clients. The Advisory Agreement established with each client sets forth the limits of the discretionary authority for trading and discretionary account require the advisory client to execute a limited power of attorney to evidence the discretionary authority given to either Fenix Asset Management or any Foreign Advisor (the Advisor).

A discretionary account gives the Advisor limited discretionary authority over the client account and permits them to execute orders to buy or sell securities in client accounts without contacting the client. A non-discretionary account permits the Advisory to execute orders to buy or sell securities in client accounts only after contacting and receiving consent from the client. All advisory accounts, both discretionary and non-discretionary, do not permit the Advisor authority to initiate any movement of client funds or the transfer of client securities into, out of, or between client accounts.

#### Item 17 - Voting Client Securities (Proxy Voting)

Fenix Asset Management will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the clearing firm/custodian. Clients should direct all proxy questions to the issuer of the security and execute the proxy as described in the proxy material.

#### Item 18 - Financial Information

Fenix Asset Management does not require nor solicit prepayment of advisory fees – all advisory fees are assessed after the advisory services have been provided by Fenix. Neither Fenix Asset Management nor Mr. Galvez has any financial encumbrance or condition that is reasonably likely impair Fenix Asset Management's ability to meet its contractual commitments to advisory clients. Fenix Asset Management nor Fenix Securities has not been the subject of any bankruptcy petition or proceeding.

## Brochure Supplement for

### Julian Galvez

#### Education Background and Business Experience

##### Formal Education:

- BA in Economics, Universidad Argentina de la Empresa, Buenos Aires, Argentina.

##### Business Background:

- Managing Director, Fenix Securities LLC, New York, NY, 2012 to Present
- Managing Director Fenix Asset Management LLC, New York, NY, 2017 to Present;
- Fenix Financial, Ltd, New York, NY, 1999 to Present
- Menocal & Co., New York, NY, 1997 to 1998
- Santander Investments SA, Buenos Aires, Argentina, 1996 -1997
- Securities Examinations: Series 7, 3, 24, 63, 66 & SIE

#### Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Mr. Galvez and Fenix Asset Management. Mr. Galvez has not been involved in any reportable disciplinary events.

#### Other Business Activities

Mr. Galvez is a Managing Director of Fenix Securities, LLC ("Fenix Securities"), a securities broker/dealer registered with the Securities and Exchange Commission and the Financial Industry Regulatory Authority ("FINRA"). Mr. Galvez is also separately licensed with FINRA as a Registered Representative of Fenix Securities.

In this capacity, Mr. Galvez may recommend securities products offered by Fenix Securities as part of his clients' investment portfolios. If clients purchase these products through Mr. Galvez, he will receive the customary commissions in his separate capacity as a registered representative of Fenix Securities.

Additionally, Mr. Galvez may receive 12b-1 fees from mutual funds that pay such fees. The receipt of additional compensation may give Mr. Galvez an incentive to recommend investment products based on the compensation received, rather than on your investment needs. Please refer to the Fees and Compensation section and the Client Referrals and Other Compensation section of Fenix Capital's firm brochure for additional disclosures on this topic.

Mr. Galvez spends about 75% of his time in his capacities as a registered representative of Fenix Securities, LLC

#### Additional Compensation

Please refer to the Other Business Activities section above for disclosures on Mr. Galvez's receipt of additional compensation as a result of his activities as a registered representative of Fenix Securities. Apart from the receipt of additional compensation as a result of his activities as a registered representative, Mr. Galvez does not receive additional compensation or economic benefits from third party sources in connection to his advisory activities.

#### Supervision

Mr. Galvez is an investment adviser representative of Fenix Asset. In this role, Mr. Galvez is responsible for the monitoring of client portfolios for investment objectives and other supervisory reviews.

Mr. Galvez's advisory activities are supervised by Mr. Brown.

In addition, Fenix Asset has implemented a Code of Ethics and an internal compliance program that guides all Advisory personnel in meeting their fiduciary obligations to clients. Mr. Galvez adheres himself to Fenix Asset's code of ethics and compliance manual as mandated. Clients may contact Mr. Galvez at the phone number listed on the cover of this Brochure Supplement, to obtain a copy of Fenix Asset's code of ethics.

## Brochure Supplement for

### Michael Brown

#### Education Background and Business Experience

##### Formal Education:

- Mr. Brown graduated from Purdue University in 1982 with a Bachelor of Science degree in Management and Finance.

##### Business Background:

- Registered Principal, Fenix Securities LLC, New York, NY, 2012 to Present
- President, B/D Solutions Consulting, Atlanta, Ga 1993 to Present
- Brokerage On-Line Product Manager, S1 Technologies, Atlanta, GA, 1995 -1997
- Director of Operations, FSC Securities, Atlanta GA, 1987 – 1995
- Compliance Examiner, NASD (aka FINRA), Atlanta GA, 1985 – 1987

#### Disciplinary Information

Mr. Brown was the subject of a disciplinary matter by FINRA arising in 2012 related to the late filing of two regulatory forms. Mr. Brown agreed to a ten-day suspension which was completed in 2015.

#### Other Business Activities

As the founder and president of B/D Solutions (“BDS”), Mr. Brown has assisted the principals of broker/dealers and registered investment advisor firms in meeting their regulatory obligations and responsibilities in four key areas of expertise.

- Broker-dealer and investment advisor start-up services
- Brokerage accounting and FINOP services
- Compliance and registration services
- Litigation support and expert witness services

In this capacity, Mr. Brown may become a Registered Principal with his broker-dealer clients and have supervisory responsibilities for compliance with the SEC and FINRA Financial Responsibility Rules.

#### Additional Compensation

Mr. Brown does not receive any additional sales or advisory related compensation for his work conducted on behalf of Fenix Asset Management.

#### Supervision

Mr. Brown’s activities relating to Fenix Asset Management are supervised by Mr. Galvez.

## Brochure Supplement for

Daniel C. Bell

### Education Background and

#### Formal Education:

- BA in Business Studies, London South Bank University 1981
- Further studies at the City University of London—Chartered Institute of Bankers.

#### Industry Associations

- Fellow Financial Accountant with the Institute of Financial Accountants - 1988
- Foreign Exchange Agent of the Central Bank of Argentina - 1989
- Canadian Certified Financial Consultant with the Canadian Association of Financial Consultants - 2007

### Business Experience

Mr. Bell previously owned CBM Agente de Valores and was at one point its President and CEO, and Vice President from 2005 to 2017. CBM Management is a company of British origin and authorized by the Central Bank of Uruguay to operate as a Broker-Dealer. The company was founded in 2005, although its origins and traditions go further back to over 120 years being in the financial market through different generations of one family. CBM has obtained the "Qualified Intermediary" (QI) status in the US, with a corresponding "Global Intermediary Identification Number" (GIIN). The firm specializes in assembling savings and investment portfolios across all types of financial products that are available in international markets, in accordance with the investment profile, needs and the objectives of each client. Products managed include Commodities, Forex, Mutual Funds, Stocks, Bonds, Options, Hedge Funds, Structured Notes.

In 2012, Daniel became a Life Member of the Argentine Stock Market. He is also a Member of The Royal Philatelic Society London; a Member, Trustee and Past Treasurer and Vice-Chairman of St. Georges College; a Member of St. Andrews Former Pupils; and a Member of the Anglo Argentine Society London.

From 1983 until 2016 Mr. Bell was a Director of Casa Bell SA an Argentinean broker-dealer and member of the MAE (Mercado Abierto Electronico - Electronic Exchange).

From 2017 until the present, Mr. Bell has been an independent investment advisor with more than 40 years of experience in the financial industry. Mr. Bell focuses on providing professional advisory services to high net worth individuals throughout Latin America.

### Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Mr. Bell and Fenix Asset Management. Mr. Bell has not been involved in any reportable disciplinary events.

### Additional Compensation

Mr. Bell does not receive additional compensation or economic benefits from third party sources in connection to his advisory activities.

### Supervision

Mr. Bell is an investment adviser representative of Fenix Asset Management and Mr. Galvez is responsible for the supervision of Mr. Bell's advisory activities.

In addition, Fenix Asset has implemented a Code of Ethics and an internal compliance program that guides all Advisory personnel in meeting their fiduciary obligations to clients. Mr. Bell adheres himself to Fenix Asset Management's code of ethics and compliance manual as mandated. Clients may contact Mr. Galvez at the phone number listed on the cover of this Brochure Supplement, to obtain a copy of Fenix Asset Management's code of ethics.