

# LevelX Advisers, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of LevelX Advisers, LLC. If you have any questions about the contents of this brochure, please contact us at (786) 314-7018 or by email at: [info@levelx.com](mailto:info@levelx.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.*

*Additional information about LevelX Advisers, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). LevelX Advisers, LLC's CRD number is: 307352.*

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*Registration as an investment adviser does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

LevelX Advisers, LLC has the following material changes to report. Material changes relate to LevelX Advisers, LLC's policies, practices or conflicts of interests.

- The firm now offers discretionary roboadvisory portfolio management as an internet adviser, rather than traditional portfolio management (Items 4, 5, 13, 16).
- The firm has transitioned to registration with the United States Securities and Exchange Commission from its prior registration at the state level.

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## **Item 4: Advisory Business**

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

LevelX Advisers, LLC (hereinafter “LEVELX”) is a Limited Liability Company organized in the State of New Jersey. The firm was formed in November 2019, and the principal owner is SSA Technologies LLC.

### **B. Types of Advisory Services**

#### ***Roboadvisory Portfolio Management Services***

LEVELX provides “robo-advisory” portfolio management services through an online interface. This entails the use of algorithm-based portfolio management advice, rather than in-person investment advice. These automated investment solutions are customized to each client, based primarily on the client’s risk tolerance. While “risk tolerance” is sometimes used as a catchall for many risk-related concepts, LEVELX uses that term to mean the degree of uncertainty an investor is willing to accept when making a financial decision that entails the possibility of a loss.

The digital risk tolerance questionnaire and scoring algorithm looks to approximate the client’s risk tolerance through the prism of three categories; know your customer, risk aversion and financial resources. A decision tree and point scoring system then determine a client’s risk aversion score and financial resources score. When combined, a master risk classification is scored and assigned to the client. The goals of this risk tolerance assessment are: (1) Understand the client’s tolerance for risk (2) Understand the client’s financial resources (3) Satisfy regulatory “Know your customer” requirements, and (4) Assign clients an investment portfolio that aligns with their stated risk tolerance.

While there can be a multitude of questions posed to an investor, LEVELX’s risk tolerance profiling comes down to three main factors: investment time horizon; aversion to loss of principal; and financial resources, each of which are addressed below.

- Conservative – Longer investment horizon and high aversion to loss of principal.
- Moderate - Medium to longer dated investment horizons, less aversion to loss of principal and above average financial resources.
- Aggressive – Shorter investment horizon, lowest aversion to loss of principal and strong financial resources.

LEVELX’s investment advisory personnel oversee the algorithm but may not monitor each client’s account. Clients are encouraged to update their account/questionnaire with any change in their objectives, risk tolerance, or other pertinent information, as that information factors into the portfolio’s composition.

#### ***Services Limited to Specific Types of Investments***

LEVELX generally limits its investment advice to mutual funds, fixed income securities, equities, ETFs, treasury inflation protected/inflation linked bonds and non-U.S. securities. LEVELX may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

LEVELX offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon each client's current situation (income, tax levels, and risk tolerance levels). Clients are not permitted to impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. LEVELX does not participate in wrap fee programs.

### **E. Assets Under Management**

LEVELX has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0	\$0	January 2020

## **Item 5: Fees and Compensation**

### **A. Fee Schedule**

#### *Management Fees for Robo advisory Services*

Total Assets Under Management	Annual Fees
All Assets	Up to 1.50%

LEVELX uses the value of the account as of the last business day of the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

These fees are generally negotiable and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of LEVELX's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

### ***Performance-Based Fees for Robo advisory Services***

Total Assets Under Management	Annual Fees	Performance Fees
All Assets	1.50%	15%

Qualified clients will pay an annual fee of 1.50% of assets under management along with a 15.00% performance fee based on capital appreciation. If the client's portfolio rises in value, the client will pay 15.00% on that increase in value, but if the portfolio drops in value, the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a "high water mark." The high water mark will be the highest value of the client's account on the last day of any previous year, after accounting for the client's deposits or withdrawals for each billing period.

These fees are generally negotiable and the final fee schedule will be memorialized in the client's advisory agreement. This service may be canceled immediately upon written notice. Clients must pay the prorated performance-based fees for the billing period in which they terminate the Investment Advisory Contract up to and including the day of termination.

## **B. Payment of Fees**

### ***Payment of Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in arrears.

### ***Payment of Performance-Based Fees***

Performance-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on an annual basis. Fees are paid in arrears.

## **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by LEVELX. Please see Item 12 of this brochure regarding broker-dealer/custodian.

## **D. Prepayment of Fees**

LEVELX collects its fees in arrears. It does not collect fees in advance.

## **E. Outside Compensation For the Sale of Securities to Clients**

Christopher Daniel Infante is a registered representative of a broker-dealer. In this role, he may accept compensation for the sale of investment products to LEVELX clients.

### ***1. This is a Conflict of Interest***

Supervised persons may accept compensation for the sale of investment products, including asset based sales charges or service fees from the sale of mutual funds to LEVELX's clients. This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of investment products for which the supervised persons receives compensation, LEVELX will document the conflict of interest in the client file and inform the client of the conflict of interest.

### ***2. Clients Have the Option to Purchase Recommended Products From Other Brokers***

Clients always have the option to purchase LEVELX recommended products through other brokers or agents that are not affiliated with LEVELX.

### ***3. Commissions are not LEVELX's primary source of compensation for advisory services***

Commissions are not LEVELX's primary source of compensation for advisory services.

### ***4. Advisory Fees in Addition to Commissions or Markups***

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on investment products recommended to clients.

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

LEVELX manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) and may as well manage accounts that are not billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because LEVELX and/or its supervised persons have an incentive to favor accounts for which LEVELX receives a performance-based fee. LEVELX addresses the conflicts

by ensuring that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees. LEVELX seeks best execution and upholds its fiduciary duty for all clients.

Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

## Item 7: Types of Clients

LEVELX generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Banks and Thrift Institutions
- ❖ Investment Companies
- ❖ Corporations or Business Entities

There is no account minimum for any of LEVELX's services.

## Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

LEVELX's methods of analysis include Charting analysis, Cyclical analysis, Fundamental analysis, Modern portfolio theory, Quantitative analysis and Technical analysis.

**Charting analysis** involves the use of patterns in performance charts. LEVELX uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.



**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

### *Investment Strategies*

LEVELX uses long term trading.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### *Methods of Analysis*

**Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Quantitative analysis** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

### *Investment Strategies*

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** 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 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. Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (iNAV), or price fluctuation and disassociation from the index being tracked. With regard to trading risks, regular trading adds cost to your portfolio thus counteracting the low fees that one of the typical benefits of ETFs. Additionally, regular trading to beneficially “time the market” is difficult to achieve. Even paid fund managers struggle to do this every year, with the majority failing to beat the relevant indexes. With regard to liquidity and shutdown risks, not all ETFs have the same level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself. Implied liquidity is a measure of what can potentially be traded in ETFs based on its underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments (as applicable). Foreign securities in particular are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETFs that use derivatives, leverage, or complex investment strategies are subject to additional risks. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another and losses may be magnified if no liquid market exists for the ETF's shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

**Non-U.S.** securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**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**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

As a registered representative of LevelX Capital, LLC, Christopher Daniel Infante accepts compensation for the sale of securities.

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

Neither LEVELX nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Christopher Daniel Infante is a registered representative of LevelX Capital, LLC and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. LEVELX always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of LEVELX in such individual's capacity as a registered representative.

Christopher Daniel Infante is an investment adviser representative and Chief Investment Officer with another investment advisory firm, Cygnus Advisors, LLC, and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. LEVELX always acts in the best interest of the client and clients are in no way required to use the services of any representative of LEVELX in connection with such individual's activities outside of LEVELX.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

LEVELX does not utilize nor select third-party investment advisers.

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

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

LEVELX 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. LEVELX's Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

If an agency cross transaction arises, LEVELX will only execute such transaction with the consent of the applicable client. An agency cross transaction is generally defined as a transaction where a person acts as investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of LEVELX may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of LEVELX to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. LEVELX will always

document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

#### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of LEVELX may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of LEVELX 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, LEVELX will never engage in trading that operates to the client's disadvantage if representatives of LEVELX buy or sell securities at or around the same time as clients.

### **Item 12: Brokerage Practices**

#### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on LEVELX's 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 LEVELX may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in LEVELX's research efforts. LEVELX will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

LEVELX recommends LevelX Capital LLC as broker-dealer and Apex Clearing as custodian.

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

While LEVELX has no formal soft dollars program in which soft dollars are used to pay for third party services, LEVELX may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). LEVELX may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and LEVELX does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. LEVELX benefits by not having to

produce or pay for the research, products or services, and LEVELX will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that LEVELX's acceptance of soft dollar benefits may result in higher commissions charged to the client.

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

LEVELX receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## **3. *Clients Directing Which Broker/Dealer/Custodian to Use***

LEVELX may permit clients to direct it to execute transactions through a specified broker-dealer. If a client directs brokerage, then 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 LEVELX to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; the client may be unable to participate in block trades (unless LEVELX is able to engage in "step outs"); and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

If LEVELX buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, LEVELX would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. LEVELX would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## **Item 13: Review of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

With respect to roboadvisory services, clients will enter their risk profile, which in turn generates a risk score with recommended portfolio strategies. LEVELX's investment advisory personnel oversee the algorithm but will not monitor each client's account.



## **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Robo advisory services do not entail review of client accounts, though reallocations 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).

## **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of LEVELX's advisory services provided on an ongoing basis will receive a monthly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

# **Item 14: Client Referrals and Other Compensation**

## **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

LEVELX does not receive any economic benefit, directly or indirectly from any third party for advice rendered to LEVELX's clients.

## **B. Compensation to Non - Advisory Personnel for Client Referrals**

LEVELX does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

# **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, LEVELX will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

# **Item 16: Investment Discretion**

LEVELX provides discretionary portfolio management to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Because investment discretion has been granted, LEVELX generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be



bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

### **Item 17: Voting Client Securities (Proxy Voting)**

LEVELX will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

LEVELX neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

#### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither LEVELX nor its management has any financial condition that is likely to reasonably impair LEVELX's ability to meet contractual commitments to clients.

#### **C. Bankruptcy Petitions in Previous Ten Years**

LEVELX has not been the subject of a bankruptcy petition in the last ten years.