

# Fair Invest, LLC.

## Wrap Fee Program Brochure

*This wrap fee program brochure provides information about the qualifications and business practices of Fair Invest, LLC. If you have any questions about the contents of this brochure, please contact us at (281) 660-2797 or by email at: [khalidp@amsysis.com](mailto:khalidp@amsysis.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 Fair Invest, LLC. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Fair Invest, LLC.'s CRD number is :314718.*

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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**

Fair Invest, LLC. has no material changes to report since its last filing on 5/18/2021.

## Item 3: Table of Contents

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Fair Invest, LLC. (hereinafter “FIL”) provides portfolio management to clients under this wrap fee program as sponsor and portfolio manager.

FIL provides Robo-advisory portfolio management services via an online interface.

| Total Assets Under Management | Annual Fee |
|-------------------------------|------------|
| All Assets                    | 1.00%      |

Robo-advisory portfolio management fees are withdrawn directly from the client’s accounts with client’s written authorization. Fees are paid on a monthly basis in arrears.

Fees are paid in arrears. FIL 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.

Clients may terminate the agreement without penalty, for full refund of FIL’s fees, within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

### B. Contribution Cost Factors

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client’s account, the adviser’s ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

### C. Additional Fees

FIL will wrap third party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.) for wrap fee portfolio management accounts. FIL will charge clients one fee and pay all transaction fees using the fee collected from the client. Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that FIL has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs.

Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, fees associated with “step out” transactions if the account

uses different custodians or broker-dealers, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

#### **D. Compensation of Client Participation**

Neither FIL, nor any representatives of FIL receive any additional compensation beyond advisory fees for the participation of clients in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, FIL may have a financial incentive to recommend the wrap fee program to clients.

### **Item 5: Types of Clients**

FIL generally offers advisory services to High-Net-Worth Individuals

There is no account minimum.

### **Item 6: Portfolio Manager Selection and Evaluation**

#### **A. Selecting/Reviewing Portfolio Managers**

FIL will not select outside portfolio managers for management of this wrap fee program. FIL will be the sole portfolio manager for this wrap fee program.

FIL will use industry standards to calculate portfolio manager performance.

FIL reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is quarterly and is reviewed by FIL.

#### **B. Related Persons**

FIL and its personnel serve as the portfolio managers for all wrap fee program accounts. This is a conflict of interest in that no outside adviser assesses FIL's management of the wrap fee program. However, FIL addresses this conflict by acting in its clients' best interest consistent with its fiduciary duty as sponsor and portfolio manager of the wrap fee program.

## **C. Advisory Business**

FIL provides “robo-advisory” portfolio management services via 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 and based on individual characteristics, such as the client’s age, risk tolerance, income, and current assets, among others.

FIL evaluates the current investments of each client with respect to their risk tolerance levels and time horizon.

Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Portfolio management accounts participating in the wrap fee program will not have to pay for transaction or trading fees. FIL will charge clients one fee and pay transaction fees using the advisory fee collected from the client. Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that FIL has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs. To address this conflict, FIL will always act in the best interest of its clients consistent with its fiduciary duty as an investment adviser.

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

FIL generally limits its investment advice to mutual funds, equities, ETFs, and Commodities. FIL may use other securities as well to help diversify a portfolio when applicable.

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

FIL offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the 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.

### ***Wrap Fee Programs***

As discussed herein, FIL sponsors and acts as portfolio manager for this wrap fee program. FIL manages the investments in the wrap fee program, but does not manage

those wrap fee accounts any differently than it would manage non-wrap fee accounts. The fees paid to the wrap account program will be given to FIL as a management fee.

### ***Amounts Under Management***

FIL has the following assets under management:

| Discretionary Amounts: | Non-Discretionary Amounts: | Date Calculated: |
|------------------------|----------------------------|------------------|
| 0                      | 0                          | 12/31/2021       |

### ***Performance-Based Fees and Side-By-Side Management***

FIL does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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.

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

#### **Methods of Analysis**

FIL's methods of analysis include charting analysis, charting analysis, charting analysis and charting analysis.

**Charting analysis** involves the use of patterns in performance charts. FIL uses this technique to search for patterns used to help predict 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.

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

**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.

#### **Investment Strategies**

FIL uses/recommends long term investing.

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

## ***Material Risks Involved***

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### **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.

**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.

**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.

**Quantitative Model Risk:** 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.

### **Investment Strategies**

**Long term investing** 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.*

### ***Risks of Specific Securities Utilized***

**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.



**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. Because ETFs use "authorized participants" (APs) as agents to facilitate creations or redemptions (primary market), there is a risk that an AP decides to no longer participate for a particular ETF; however, that risk is mitigated by the fact that other APs can step in to fill the vacancy of the withdrawing AP [an ETF typically has multiple APs] and ETF transactions predominantly take place in the secondary market without need for an AP. Like other liquid securities, ETF pricing changes throughout the trading day and there can be no guarantee that an ETF is purchased at the optimal time in terms of market movements. Moreover, due to market fluctuations, ETF brokerage costs, differing demand and characteristics of underlying securities, and other factors, the price of an ETF can be lower than the aggregate market price of its cash and component individual securities (net asset value – NAV). An ETF is subject to the same market risks as those of its underlying individual securities, and also has internal expenses that can lower investment returns.

**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.

**Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

*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.*

### ***Voting Client Securities (Proxy Voting)***

FIL 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 7: Client Information Provided to Portfolio Managers**

All client information material to managing the portfolio (including basic information, risk tolerance, sophistication level, and income level) is provided to the portfolio manager. The portfolio manager will also have access to that information as it changes and is updated.

## **Item 8: Client Contact with Portfolio Managers**

FIL does not restrict clients from contacting portfolio managers. FIL's representatives can be contacted during regular business hours using the information on the Form ADV Part 2B cover page.

## **Item 9: Additional Information**

### **A. Disciplinary Action and Other Financial Industry Activities**

#### ***Criminal or Civil Actions***

There are no criminal or civil actions to report.

#### ***Administrative Proceedings***

There are no administrative proceedings to report.

#### ***Self-Regulatory Organization (SRO) Proceedings***

There are no self-regulatory organization proceedings to report.

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

Neither FIL nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

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

Neither FIL 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.

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

Khalid Parekh is the CEO of Fair Fintech, Inc., a digital IT platform for banking and financial services. In addition, Khalid Parekh is the CEO of AMSYS Group, which is an international group that invests in Technology, Healthcare, Capital, Blockchain, Energy and Engineering and Construction. From time to time, he may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. Fair Invest, LLC. always acts in the best interest of the client

and clients always have the right to decide whether or not to utilize the services of any representative of Fair Invest, LLC. in such individual's outside capacities.

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

FIL does not select third-party investment advisers.

## **B. Code of Ethics, Client Referrals, and Financial Information**

### ***Code of Ethics***

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

### ***Recommendations Involving Material Financial Interests***

FIL does not recommend that clients buy or sell any security in which FIL or a related person has a material financial interest.

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

From time to time, representatives of FIL may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of FIL 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. FIL 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.

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

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

or around the same time as clients.

### ***Frequency and Nature of Periodic Reviews***

Robo-advisory portfolio management accounts are not reviewed by FIL, save for automated allocation revisions. Clients are encouraged to update FIL of any change in their objectives, risk tolerance, or other pertinent information.

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

Robo-advisory portfolio management accounts do not undergo non-periodic review by FIL, allocations will change in accordance with the portfolio management software utilized by FIL and changes to the client's profile.

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

Robo-advisory portfolio management clients will receive at least monthly a written report that details the client's account including assets held and asset value, which report will come from the custodian and at least monthly a written report from FIL.

### ***Economic Benefits Provided by Third Parties for Advice Rendered to Clients***

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

### ***Compensation to Non – Advisory Personnel for Client Referrals***

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

### ***Balance Sheet***

FIL neither requires nor solicits prepayment of more than \$1,200 and 6 months in advance, therefore FIL has no financial disclosures to make.

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

FIL does not have any financial condition that would impair its ability to meet contractual commitments to clients.

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

FIL has not been the subject of a bankruptcy petition.

## **Item 10: Requirements For State Registered Advisers**

FIL is registered with the Securities and Exchange Commission.

Please see the “Recommendations Involving Material Financial Interests” and “Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests” sections above.