

# WealthyX

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## **Form ADV Part 2A- Wrap Fee Brochure**

**09-21-2020**

This wrap fee program brochure provides information about the qualifications and business practices of WealthyX LLC (SEC #801-80109) (CRD #172380) (“WealthyX”). If you have any questions about the contents of this Brochure, please contact us via email at [info@wealthyx.com](mailto:info@wealthyx.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

WealthyX is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information that you may use to determine whether to hire or retain them.

Additional information about WealthyX is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using a unique identifying number, known as CRD number. The CRD number for WealthyX is 172380. The SEC’s website also provides information about any persons affiliated with WealthyX who are registered, or are required to be registered, as investment adviser representatives of WealthyX.

## Item 2 – Material Changes

Since the last annual amendment of this Wrap Fee Brochure (the “Brochure”):

- WealthyX was acquired by Saveday Inc on May 1, 2019. As part of this acquisition, WealthyX continues its affiliation with Kapital Generation, LLC, an SEC-registered broker-dealer and member of the Financial Industry Regulatory Authority (“FINRA”) (SEC # 68508) (CRD #153157) (“KapGen”) and Saveday, Inc. (“SaveDay”).
- As a result of the acquisition, Barry Mione, the President of Saveday Inc, the parent company of WealthyX, is also the Chief Compliance Officer and portfolio manager of WealthyX and the Chief Executive Officer of KapGen as discussed further in “Other Financial Industry Activities and Affiliations” below.
- The address has changed to 10816 Crown Colony Drive, Suite 204 Austin, TX 78747

The Brochure may be requested at any time, without charge, by contacting WealthyX at [info@wealthyx.com](mailto:info@wealthyx.com) or by checking our website at [www.WealthyX.com](http://www.WealthyX.com)

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## Item 4 – Advisory Business

WealthyX was founded in 2014. Additional information about WealthyX is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using a unique identifying number, known as a CRD number. The CRD number for WealthyX is 172380. The SEC’s website also provides information about any persons affiliated with WealthyX who are registered, or are required to be registered, as investment adviser representatives of WealthyX.

WealthyX is a registered investment adviser (“RIA”) which offers a wrap fee program to its advisory clients (each a “Client,” and collectively, “Clients”) through an automated platform on SaveDay’s website.

WealthyX is a privately held company headquartered in Austin, Texas. Information about WealthyX’s organizational and ownership structure and directors is provided on Part 1 of WealthyX’s Form ADV which is available online at <http://www.adviserinfo.sec.gov>

WealthyX’s sole business is the investment advisory services provided through the WealthyX Wrap Fee Program. Investment advice and recommendations are provided in order to meet the financial objectives and risk tolerance of the individual Client, but Clients must select from the ETF portfolios presented by WealthyX themselves.

As of September 2020 the Firm has \$30,400,000.00 in assets under management.

## Item 5 – Fees and Compensation

### Wrap Fee Program

WealthyX provides web-based investment advisory services (“advisory services”) to individuals in a program that bundles or “wraps” services together and charges a single fee based on the value of assets under management (the “WealthyX Wrap Fee Program”). The services included in the wrap are advisory, trade execution, clearance and custody and reporting. WealthyX interacts with its Clients primarily through an automated platform that is available through SaveDay’s website (saveday.com) (the “Program Site”). The advisory services are delivered solely through the Program Site. WealthyX does not provide investment advice in person or over the phone or in any manner other than through the Program Site. SaveDay provides 401K plan administration to businesses and their respective employees.

Clients utilize the Program Site to access automated guidance from WealthyX which helps them learn about investing and create and manage an investment portfolio designed to meet their financial goals, interests and beliefs within their respective investment (risk) and financial parameters. The investments offered through the program consist solely of exchange traded funds (“ETFs”).

Each Client inputs their personal information, including age, number of years to expected retirement, financial resources, payroll contribution percentage, expected sources to support retirement spending, investment goals and objectives, and risk tolerance via an online interactive questionnaire contained within the Program Site. Based solely on the information provided by the Client via the questionnaire, the software analyzes the information and provides the Client with access to a curated selection of suitable investment portfolios comprised of ETFs. Clients should understand the Program Site relies upon the information provided by the Client and WealthyX does not capture any additional information not covered in the questionnaire in making its risk assessment and providing its investment advice. Clients may, in their sole discretion, decide to select a portfolio that is different from the portfolio selected by WealthyX when opening an account or at any other time. Furthermore, Clients may place additional restrictions on their portfolios by contacting SaveDay or WealthyX, via the Program Site, prior to opening an account with WealthyX.

WealthyX, through the Program Site, provides recommendations to each Client. Once a Client has selected an ETF portfolio that is suitable for them, WealthyX continually monitors the portfolio and automatically rebalances any holdings. The algorithm will evaluate and rebalance a portfolio upon a 5% or greater deviation from the initial model allocation caused by market events. This rebalance occurs within 3 business days of the triggered event. Clients are not required to implement WealthyX’s investment advice and should carefully review all of the information provided by the Program Site and in the relevant ETF prospectus or company reports before investing.

As part of the investment advisory services, WealthyX, through the Program Site will:

- Curate investment options based on your risk profile and financial objectives;
- Suggest diversification and portfolio construction actions;
- Monitor and track assets under management; and
- Provide account statements and confirmations through KapGen.

Clients are urged to view any account statements and confirmations provided by KapGen, an affiliate of WealthyX. These account statements and confirmations are generated through Apex Clearing Corporation (which serves as the independent custodian of all accounts managed through the Program Site). Clients are obligated to update their information through the WealthyX Program Site promptly if there are changes to their financial situation, goals, objectives, personal circumstances, time horizon or if other relevant information changes or becomes available.

The securities and assets in each Client's account are held in a separate account in the name of the Client at an independent custodian, and not with WealthyX. All accounts managed through the Program Site are required to use Apex Clearing Corporation as the independent custodian. Brokerage services for the WealthyX Wrap Fee Program are provided through its affiliated broker-dealer, KapGen, an SEC-registered broker-dealer and member of FINRA.

The ETF purchased or sold on behalf of a Client and/or held in Client accounts may be either whole shares or fractional shares, depending upon the amounts a Client invests in the particular ETF. WealthyX enables dollar based investing, whereby a Client can buy a fixed dollar amount rather than whole shares. WealthyX aggregates all dollar based purchases and places whole share orders for executions. Thereafter, WealthyX allocates the fractional shares to the individual Client accounts. Fractional shares, however, are typically not transferrable outside of a Client's advisory account because the financial system in the United States currently is structured only to accommodate transfers of full shares. As a result, fractional shares may not be marketable or transferrable to another brokerage account.

In the event of a liquidation or transfer of the assets in a Client's advisory account to another account, WealthyX may convert such fractional shares to cash.

Clients will receive WealthyX's Managed Account Agreement, which further details the services Clients will receive, fees charged to Clients, and the conditions of the WealthyX-Client relationship. Importantly, WealthyX does not provide overall financial planning services nor does it provide tax advice.

## Fees and Compensation

The Program charges a “wrap” fee, which allows Clients to pay a single fee for investment advisory services (the “fee”). The fee is not based upon transactions in a Client account, but rather is a bundled fee, which includes the costs for advisory services, execution, clearance, custody and account reporting.

There is no minimum account opening balance requirement for the WealthyX Wrap Fee Program. Investment advisory fees are not prorated for partial months.

For Client accounts, WealthyX assesses a monthly fee calculated daily at a rate of 0.35% divided by 365. On an annual basis, this represents a 0.35% fee. Fees are charged monthly, in arrears. That is, fees will be calculated on the average daily balance of the previous 30 days. Fees are directly debited monthly by WealthyX for the advisory services rendered in the previous month. WealthyX will charge fees on cash balances that are not actively managed and will also charge advisory fees on non-discretionary assets that are not actively managed.

Termination of accounts will be undertaken at WealthyX’s sole discretion. Each Client may also terminate its account at any time. Upon termination of a Client’s account, assets are liquidated as soon as practicable and money is returned to the Client, if applicable. Once the account termination process is initiated, WealthyX will only receive fees through the termination date (and not thereafter). In the event a Client terminates its relationship with SaveDay, WealthyX will no longer serve as investment adviser to such Client’s account.

Although there is no minimum fee assessed on a monthly basis, clients should understand that the wrap fee program was designed for frequent investing and therefore the fee structure might not be appropriate for individuals intending to make only a few and/or infrequent small dollar investments. Participation in the WealthyX Wrap Fee Program may cost Clients more or less than purchasing the bundled services (e.g., brokerage, custody, execution) separately. Clients should thoroughly consider these factors, among others, before deciding to participate in the WealthyX Wrap Fee Program: number of transactions in the Client’s accounts, trading commissions, custodial fees, advisory fees, and other services provided in the WealthyX Wrap Fee Program. This may potentially be a greater fee than the Client would pay to other investment advisers which permit Clients to invest such an amount.

WealthyX reserves the right to waive the fee or any part thereof for any period for any Client in WealthyX’s sole discretion. To this end, WealthyX may, from time to time, elect to launch programs or initiatives whereby fees may be waived, in whole or in part, for certain categories of Clients (such as Clients below a certain age and/or military veterans). Any such program or initiative (i) is entirely discretionary to WealthyX, and may be expanded, narrowed, suspended, cancelled or modified at any time by WealthyX, and (ii) will be subject to any rules, guidelines and/or terms and conditions created by WealthyX in connection therewith (which rules, guidelines and/or terms may be included in website landing pages, on each of WealthyX’s and SaveDay’s website generally and/or elsewhere). To the extent any such program or initiative is cancelled or terminated, Clients will once again be charged the then-current fees on a going-forward basis. WealthyX shall have sole discretion in determining whether or not any existing Client or potential Client meets the requirements to participate in and/or benefit from any such program or initiative, and WealthyX shall not be liable to the Client or any other party in connection with any such decision and/or in connection with the administration of any such program or initiative generally.

WealthyX believes our wrap fee is reasonable considering the quality and scope of the services we provide and the fees charged by other investment advisers offering similar services/programs. However, by participating in a wrap fee program, Clients may end up paying more or less than they would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to the Client by the executing broker. In that scenario, Clients would be responsible for any other fees charged by other parties, including the custodian, Apex Clearing Corporation. Clients could also invest in ETFs and stocks directly without an adviser's services. In that case, Clients would not receive the services provided by the adviser which are designed, among other things, to assist in determining which investments are appropriate for the portfolio and the Client's account. In our wrap fee program, we include all trade charges applicable to an account. However, our fees do not include other related costs and expenses. A Client may incur certain charges imposed by custodians, and other third parties. These include transfer fees, administrative fees and other fees and taxes on brokerage accounts and securities transactions. ETFs also charge internal management fees, which are disclosed in the relevant fund's prospectus. None of WealthyX, KapGen, SaveDay, or any of their respective affiliates receive these fees or any other compensation from ETF fund managers. These fees are in addition to the management fee Clients pay to WealthyX. Clients should review all fees charged to fully understand the total amount of fees they will pay.

Clients will have an independent relationship with KapGen and SaveDay, which will receive a portion of fees for the services provided. SaveDay may also charge Clients fees in addition to the wrap fee charged by and paid to WealthyX. For example, SaveDay currently charges a fee upon transfer or termination of an account with SaveDay.

## **Item 6 Performance-Based Fees and Side-by-Side Management**

WealthyX does not charge any performance-based fees. These are fees based on a share of capital gains on or capital appreciation of the assets of a Client.

## **Item 7 – Account Requirements and Types of Clients**

The WealthyX Wrap Fee Program is designed to provide investment advisory services to individuals who are United States (“US”) citizens, legal US residents or non-resident aliens with eligible visa types, all of which must have a social security number. Participation in the WealthyX Wrap Fee Program requires that the Client successfully complete a new account application, including submitting various personally identifiable information required by US federal law. Clients approved for an investment advisory account must maintain a brokerage account at WealthyX's broker, KapGen. For the avoidance of doubt, Apex Clearing Corporation serves as the sole custodian of all accounts managed through the Program Site.

There are no minimum or maximum account size requirements. However, WealthyX reserves the right to impose a minimum or maximum account size or value in the future at its discretion. Fees are not negotiable. WealthyX further reserves the right to require additional disclosure information from Clients with accounts in excess of \$100,000.

## Item 8 – Method of Analysis

### Portfolio Managers

WealthyX does not utilize outside portfolio managers. WealthyX directly manages the portfolios of all of its Clients. One WealthyX employee acts as portfolio manager for the WealthyX Wrap Fee Program. The ETFs that comprise Client portfolios are selected via WealthyX's internal selection criteria. Clients select their own portfolios from the curated list of suitable ETF portfolios presented by WealthyX through the Program Site. The ETFs included in each Client portfolio have been researched and approved by WealthyX's portfolio manager. WealthyX's internal selection criteria includes, but is not limited to, assessing an ETF's exposure to a given asset class or sector, how well the ETF tracks its benchmark, the ETF's management fee, the liquidity prospect of the ETF vis-à-vis WealthyX portfolios and the management of the ETF. ETFs themselves are managed by the relevant fund manager/sponsor. WealthyX does not manage, control or receive compensation from ETF managers.

Rebalancing and initial investments are only performed during specific hours each day. There are inherent risks to the algorithms used to drive the ETF portfolio recommendations made by WealthyX, which may result in loss of capital. WealthyX also relies on certain vendors, such as Google, in order to provide portfolio rebalancing. In the event that one of these vendors, such as Google, is unavailable, WealthyX will still have the capability to rebalance the portfolio.

### Methods of Analysis; Investment Options on WealthyX's Platform

Through qualitative and quantitative due diligence, WealthyX selects investments to make available through the Program Site. WealthyX selects ETFs as the investment available through the Program Site. WealthyX's chooses ETFs because of their transparency, liquidity, fee models and diversification.

The ETFs we select represent an array of investments options across a broad range of:

- investment strategies such as conservative, modest or aggressive balanced risk funds;
- asset classes such as small, mid, and large cap US equities, fixed income, real estate, commodities, or international; and
- industries such as healthcare, defense or consumer.

In WealthyX's due diligence and analysis process, WealthyX utilizes a form of quantitative analysis in which it analyzes the funds' fees and performance using historical market data, risk metrics and other benchmarks.

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

### **Investment Strategies**

WealthyX uses a proprietary formula to help select the ETFs it recommends and/or makes available through the Program Site to each Client. Based on the application of WealthyX's proprietary formula, which analyzes Client supplied data on risk appetite and financial status, WealthyX makes available the investments that would be suitable for that particular Client. Thus, depending on a particular Client's risk appetite and financial status, only a portion of the investments on the Program Site may be made available to the particular Client to select for investment. Once the spectrum of suitable investments is identified, WealthyX's digital adviser recommends investments from among the suitable investments. All dividends from investments are automatically reinvested unless a Client elects otherwise. WealthyX's recommendations are designed to promote diversification and return, within the Client-specific risk and suitability limits.

### **Risk of Loss**

Client investments are not FDIC insured. WealthyX cannot guarantee any level of performance or that any Client will avoid losses in their account(s). Any investment in securities involves the possibility of financial loss. When evaluating risk, financial loss may be viewed differently by each Client and may depend on many different risk factors.

Clients need to understand that investment decisions they make for their account are subject to various market, volatility, liquidity, ETF-specific and other risks inherent in investing. The investment decisions Clients make based on WealthyX's services and application will not always be profitable nor can we can guarantee any level of performance.

Clients need to remember that past performance is no guarantee of future results. All investments carry some level of risk. Clients may lose some or all of the money they invest, including their principal, because the value of their investments may fluctuate. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.

Before a Client invests, they should be sure to read the investment's prospectus and shareholder reports to learn about its investment strategy and any potential risks. Investments with higher targeted rates of return may take risks that are beyond an individual Client's comfort level and are inconsistent with each Client's financial goals.

While past performance does not necessarily predict future returns, it may indicate how volatile (or stable) an investment has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If a Client needs money to meet a financial goal in the near-term, that Client probably can't afford the risk of an investment with a volatile history because that Client will not have enough time to ride out any declines in the stock market.

### **Risks Associated with ETF Securities**

ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because (i) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; (ii) certain securities comprising the

index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable and (iii) supply and demand in the market for either the ETF and or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that to the extent they invest in ETF securities they will pay two levels of advisory compensation – advisory fees charged by WealthyX plus any management fees charged by the issuer of the ETF. This scenario may cause a higher advisory cost (and potentially lower investment return) than if a Client purchased the ETF directly.

An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of the fund may include investment adviser management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary.

### **Liquidity and Valuation Risk**

High volatility and/or the lack of deep and active liquid markets for a security may prevent a Client from selling his securities at all or at an advantageous time or price because WealthyX and the Client's broker may have difficulty finding a buyer and may be forced to sell at a significant discount to market or previously quoted value. Some securities (including ETFs) that hold or trade financial instruments may be adversely affected by liquidity issues as they manage and rebalance their portfolios. While the account custodian values the securities held in Client accounts based on reasonably available exchange-traded security data, the account custodian may from time to time receive, display, or use inaccurate data, which could adversely affect security valuations, transaction size for purchases or sales, and/or the resulting advisory fees paid by a Client to WealthyX.

### **Market Risk**

The price of any security or the value of an entire asset class can decline for a variety of reasons outside of WealthyX's control, including, but not limited to, predicted or unpredicted changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, changing interest rates, regulatory changes, and domestic, foreign, or global political, demographic, or social events. If a Client has a high allocation in a particular asset class it may negatively affect overall performance to the extent that the asset class underperforms relative to other market assets. Conversely, a low allocation to a particular asset class that outperforms other asset classes in a particular period will cause that Client account to underperform relative to the overall market.

## **Volatility and Correlation Risk**

Clients should be aware that WealthyX's asset selection process is based in part on historical performance and volatility of returns in order to estimate expected returns and risk. However, it is possible that different or unrelated asset classes may exhibit similar price changes in similar directions which may adversely affect a Client, and such movements may become more acute in times of market upheaval, high volatility, or limited liquidity. Past performance is no guarantee of future results, and any historical returns, expected returns, risk forecasts, or probability projections may not reflect actual future performance or realized risk.

### **QDIA Qualified Default Investments Alternative**

In the event a plan participant fails to make investment elections a decision needs to be made to invest their participant directed contributions. The Plan Fiduciary, Wealthyx, will step into the decision-making role and invest the contributions in a Default Investment.

Participants and beneficiaries have the opportunity to direct investments out of a QDIA with the same frequency available for other plan investments but no less frequently than quarterly, without financial penalty.

## **Item 9 Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of WealthyX or the integrity of its management. WealthyX does not have any information to disclose concerning WealthyX or any of its management persons. WealthyX adheres to high ethical standards for all advisors and associates. WealthyX strives to do what is in the Clients' best interests

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

Following New Kapital Holdings LLC's acquisition of WealthyX in August 2017, and subsequently SaveDay's acquisition of Wealthyx in April of 2019, WealthyX became affiliated with a number of entities in the financial services industry. In particular, WealthyX is affiliated with SaveDay and KapGen, as each entity is under common direct ownership., Mr. Barry Mione acts as Chief Executive Officer of KapGen and WealthyX and President of Saveday. Such affiliations may present certain conflicts of interest, as KapGen is the sole broker-dealer offering brokerage services on behalf of SaveDay and WealthyX

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

### **General Information**

WealthyX has adopted a Code of Ethics for all supervised persons of the firm describing its standards of business conduct and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to a prohibition on insider trading, a prohibition of rumor mongering, and personal securities trading procedures. All of WealthyX's supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

The following acts are prohibited:

- Employing any device, scheme or artifice to defraud;
- Making any untrue statement of a material fact;
- Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading;
- Engaging in any fraudulent or deceitful act, practice or course of business;
- Engaging in any manipulative practices; and
- Participating in Client accounts.

WealthyX will provide Clients and prospective Clients with a copy of the firm's Code of Ethics upon request.

### **Participation or Interest in Client Accounts**

WealthyX may recommend securities to Clients that WealthyX has purchased for its own accounts. WealthyX's policy is to permit trading on behalf of WealthyX only during its trading windows when buying and selling for all accounts. This policy is meant to prevent WealthyX from benefiting as a result of transactions placed on behalf of advisory accounts. In no case shall WealthyX put its own interests ahead of the interests of Clients. Transactions will be executed at an average price and will be allocated among the WealthyX Clients in proportion to the purchase and sale orders placed for each Client account on any given day during the relevant trading window as further described herein.

WealthyX has established restrictions in order to ensure its fiduciary responsibilities are met. No securities for WealthyX's personal portfolio(s) shall be bought or sold where this decision is substantially derived, in whole or in part, from the role of investment advisory representative(s) of WealthyX, unless the information is also available to the investing public on reasonable inquiry.

WealthyX has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of certain of its employees. The policy requires that any person within the firm that has access to investment data of Clients must preclear any trades of securities available through the Program Site prior to trading, unless the trade is executed through the Program Site. Because trades through the Program Site are aggregated and executed simultaneously, there is no opportunity for employees of WealthyX to obtain a benefit from their knowledge. In addition, any of these employees with access to investment data of Clients must

provide the Chief Compliance Officer or his/her designee with (i) a written report of their current securities holdings within ten days after gaining access, (ii) quarterly transaction reports and (iii) annual reports thereafter on a date WealthyX selects. In addition, employees with access to investment data of Clients must receive pre-approval from the Chief Compliance Officer if participating in limited offerings and/or initial public offerings.

## **Conflicts of Interest**

WealthyX employees and representatives may employ the same strategies for their personal investment accounts as the Program Site does for Clients. As described above, employees have pre-clearance and trading limitations that preclude their doing so in a manner that disadvantages Clients.

In addition, WealthyX employees and representatives may have accounts through the Program Site. WealthyX's procedure is to treat any employee or related persons advisory account in the same fashion as unaffiliated Clients' accounts.

Following New Kapital Holdings LLC's acquisition of WealthyX in August 2017, WealthyX became affiliated with a number of entities in the financial services industry. In particular, WealthyX is affiliated with SaveDay and KapGen, as each entity is under common indirect ownership. Furthermore, Mr. Barry Mione acts as Chief Executive Officer of KapGen and WealthyX. Such affiliations may present certain conflicts of interest, as KapGen is the sole broker-dealer offering brokerage services on behalf of SaveDay and WealthyX.

## **Item 12 Brokerage Practices**

### **Factors Used to Select Custodians**

In recommending a custodian/broker-dealer, we look for companies that offer relatively low transaction fees, access to desired securities, trading platforms, and support services. We use Apex Clearing Corporation as the qualified custodian, providing custodial services, as well as execution, clearance and settlement of transactions for all Client accounts based on our review of costs and capabilities. We use KapGen, our affiliated broker-dealer, to provide brokerage services to our Clients. KapGen is the sole broker-dealer used to execute securities transactions on behalf of WealthyX's clients. The use of KapGen can present a conflict of interest, as Clients may not receive the most favorable executions for securities transactions placed with KapGen or the account custodian, Apex Clearing Corporation. However, KapGen is not paid for execution services provided to Client accounts outside of the wrap fee charged by and paid to WealthyX. Other broker-dealers may offer comparable, better, or worse services, such as trade execution and depth of product offering. KapGen also receives Order flow rebates from Apex Clearing Corporation, its clearing firm and Client account custodian, for certain Client transactions, but has requested that Apex Clearing Corporation discontinue this practice with respect to KapGen and Client accounts.

Apex Clearing Corporation and KapGen may provide benefits to WealthyX such as software and other technology that (i) provide access to Client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple Client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its Clients' accounts; and (v) assist with back-office functions, recordkeeping and Client reporting.

Other services may include, but are not limited to, performance reporting, third party research, publications, access to educational conferences, roundtables and webinars, practice management

resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom WealthyX may contract directly.

### **Best Execution**

WealthyX has an obligation to seek best execution for its Clients. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, reputation and responsiveness. Therefore, WealthyX will seek competitive commission rates, but may not obtain the lowest possible commission rates for account transactions since its affiliated broker-dealer, KapGen, is providing services to its Clients. However, since WealthyX's Clients do not pay transaction costs, this potential conflict is mitigated.

"Best execution" includes the amount of broker-dealer fees, which will be charged to the WealthyX account in connection with any trade, but it may also include other benefits. As such, WealthyX may retain KapGen as the broker-dealer with respect to the WealthyX account even if its broker/dealer fees are not the lowest fees chargeable for such transaction.

### **Brokerage for Client Referrals**

In selecting and/or recommending broker-dealers, WealthyX does not take into consideration whether it will receive Client referrals from the broker-dealer or third party.

### **Directed Brokerage**

WealthyX does not allow Clients to select their own custodian or direct orders to other executing broker-dealers. WealthyX uses KapGen and Apex Clearing Corporation exclusively.

### **Business Continuity Plan**

As part of the Firm's fiduciary responsibilities it has developed and implemented a Business Continuity Plan to minimize any potential harm to clients due to a service interruption. The BCP summary is distributed when the client establishes an account and a copy of the plan can be found at [saveday.com](http://saveday.com). The BCP is also available upon written request.

## **Item 13 Review of Accounts**

WealthyX provides all Clients with continuous access via the Program Site that is updated with real time reporting information about their account status, securities positions and balances. Limited reviews of accounts are conducted through the Program Site on a periodic basis, including providing automated alerts. Clients are encouraged to update the Program Site should there be a change in their objectives or circumstances.

WealthyX conducts random reviews of Client accounts on a monthly basis to ensure the composition of each Client's portfolio reflects the Client's portfolio selection. Rebalances are made to ensure each Client's portfolio maintains its optimized asset allocation as determined by their respective answers to the questionnaire on the Program Site.

At least quarterly, the custodian must give account statements to Clients. Clients are urged to compare these with reports provided by WealthyX or its affiliates. Clients must notify WealthyX of changes in the Client's financial situation if and when such changes arise.

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

WealthyX does not receive any compensation for referring Clients to another adviser nor does WealthyX pay any compensation to another adviser if another adviser refers Clients to WealthyX.

### **Client Referrals**

WealthyX engaged its parent, SaveDay, to provide client referrals. SaveDay is compensated for client referrals at a rate of 0.35% of assets under WealthyX's management. This compensation is deducted by WealthyX and paid to SaveDay from the wrap fee paid by Clients to WealthyX.

## **Item 15 Custody**

We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held by APEX Clearing Corporation (APEX). You will receive account statements from APEX at least quarterly. The account statements from APEX will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. If you have a question regarding your account statement or if you did not receive a statement from APEX, please contact us directly at the telephone number on the cover page of this brochure.

## **Item 16 Financial Information**

WealthyX has no financial commitment that would impair its ability to meet any contractual and fiduciary commitments to you, the Client. WealthyX has not been the subject of any bankruptcy proceedings.

## **Item 17 Voting Client Securities**

As a matter of policy and practice, WealthyX does not have any authority to and does not vote proxies on behalf of Clients. The Plan Trustee retains the responsibility for receiving and voting proxies for any and all securities maintained in their portfolios. WealthyX instructs the custodian of the account to forward each Plan Trustee copies of all proxies and shareholder communications relating to account assets. Further, WealthyX will not be required to take any action or render any advice with respect to any securities held in the account, which are named in or subject to class action lawsuits. The named trustee of the Plan receives information regarding class action legal matters involving any security held in an account. WealthyX will, however, forward to the Plan Trustee any information WealthyX receives regarding class action legal matters involving any security held in the account.