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**ITEM 1 – COVER PAGE**

**Client Brochure**

**Date of Brochure: March 29, 2024**

This brochure provides information about the qualifications and business practices of Julex Capital Management, LLC. If you have questions about the contents of this Brochure, please contact us at **(781) 489-5398** or [info@julexcapital.com](mailto:info@julexcapital.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.**

Julex is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications made to you by Julex, including the information contained in this Brochure, should provide you with information to determine whether to hire or retain Julex as your adviser.

Please be aware during your review of our brochure when we use the words “Julex”, “we”, and “our” we are referring to Julex Capital Management, LLC. When we use the words “you”, “your”, and “client”, we are referring to you as our client or prospective client.

The CRD and SEC numbers for Julex Capital Management, LLC is **166053** and **801-106823**, respectively.

**Additional information about Julex also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2 – MATERIAL CHANGES**

Julex will further provide you with a new brochure as necessary based on changes or new information, at any time, without charge. Currently, this brochure may be requested free of charge by contacting **(781) 489-5398** or at **[info@julexcapital.com](mailto:info@julexcapital.com)**.

**Additional information about Julex is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).** The SEC’s web site also provides information about any persons affiliated with Julex who are registered, or are required to be registered, as investment advisor representatives of Julex.

There have been no material changes to this Brochure since our previous Amendment filed on **March 20, 2023**.

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#### **ITEM 4 – ADVISORY BUSINESS**

Julex is an investment advisory and research firm based in Wellesley, Massachusetts. We develop and market ETF and stock selection managed products and services to meet client needs in the retail and institutional markets. In the retail market, we serve individuals directly and indirectly through our relationships with financial planners and registered investment advisors (“**RIA**”s). In the institutional market, we serve insurance companies, pension plans, endowments, foundations and others directly, or else indirectly through other asset management organizations. Julex provides continuous and regular investment management services, either on a discretionary basis, as a sub-adviser to other registered investment advisers, or on a non-discretionary basis through model portfolios implemented by other advisers.

Julex may act as a sub-adviser to other registered investment advisers (the “**Principal Adviser**”) who wish to engage us to manage the holdings in their clients’ portfolios. Both Julex and the Principal Adviser may be granted dual trading authority. We may have discretionary authority over a portion of the assets to buy and sell securities based on the client’s individual needs. Julex and the Principal Adviser will share in the fee collected.

Julex has developed two styles of investing; 1. its own quantitative asset allocation model and three-step investment process that strives to deliver consistent returns in both bull and bear markets. We tend to reduce risks and preserve capital when the capital markets are weak while providing attractive returns when the capital markets are stronger. We believe that limiting losses is the key to generating above-market returns. And, 2. its own quantitative process aiming to generate stock selection alpha unrelated to value, size or momentum

Our asset allocation strategies make use of exchange-traded funds (“**ETF**”), exchange-traded notes (“**ETN**”), or index funds. Depending upon the strategy chosen, we may invest in ETFs, ETNs or index funds owning U.S. and international equities and bonds, real estate, emerging market securities, gold, commodities, energy, and other securities. Our strategies are “long-only” and do not include derivatives or leverage.

Our stock selection strategy uses equity securities based our proprietary multi-factor models. Those strategies are “long-only” and do not use derivatives or leverage.

Julex offers both tactical asset allocation and stock selection products including, but not limited to: Dynamic Sector, Dynamic Income, Dynamic Multi-Asset, Dynamic Real Asset, Dynamic Emerging Market, Dynamic Developed Markets, Dynamic Macro Opportunities II, Dynamic Sector Smart-Beta, TrueAlpha Large Cap, Risk Managed TrueAlpha Large Cap, TrueAlpha ESG Large Cap, Risk Managed TrueAlpha ESG Large Cap, TrueAlpha Small Cap, Risk Managed TrueAlpha Small Cap, Risk Managed TrueAlpha All-Cap, Dynamic U.S. Allocation, Global Tactical Asset Allocation, Destination, Multi Factor Real Estate Risk Managed Multi-Factor Real Estate and High Dividend. Financial advisors, RIAs, individuals, and institutional clients will typically choose one of the portfolio strategies, or combination of strategies, depending upon the investment objectives, risk tolerance, and other factors they are trying to meet.

Julex also offers a suite of global asset allocation solutions designed to provide targeted levels of risk. For these products we allocate appropriate combinations of the Julex Dynamic products plus other asset class ETFs, ETNs, or index funds into mixes supporting Dynamic Defensive, Dynamic Conservative, Dynamic Moderate, or Dynamic Aggressive “all-in-one” products.

In addition, Julex offers a suite of options overlay strategies aiming to improve investment performance through income enhancement, downside protection or capital appreciation.

Please see **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss** for details of these strategies.

Also, Julex may act as a model portfolio advisor that offers its model strategies to independent investment advisors or third-party platforms (either Unified Managed Account (“UMA”) or other platforms) who employ the models in the management of their clients’ investments. Julex develops and manages its investment strategies and provides current asset allocations and changes to the investment advisor or third-party platforms as the model changes. The investment advisor or third-party platforms are then responsible to transact the Julex model recommendations for their clients and perform other administrative duties as their discretionary assets. Assets managed through this structure are non- discretionary to Julex.

In addition, Julex offers consulting services and investment products to institutional clients to provide customized investment solutions based on our models and product strategies. We work with institutional clients seeking to optimize the management of their investments against the unique characteristics of their liabilities and also help them to improve the total risk/return profile of their total return accounts.

Julex was founded in 2012 and is majority-owned by Henry Ma, PhD, CFA. The John Hancock Life Insurance Co., Brian C. Phelan, Jeffrey Megar, CFA and Erik Philbrook are minority owners. As of **December 31, 2023**, Julex managed a total of **\$363,231,625** including **\$1,342,162** on a discretionary basis and **\$361,899,464** on a non-discretionary basis through model provider relationships.

#### **ITEM 5 – FEES AND COMPENSATION**

Julex is compensated in a number of different ways depending upon the product or service provided.

For separately managed accounts (“SMA”), Julex receives a maximum **1.00%** management fee, accrued monthly and paid quarterly in arrears, except for account deposits or withdrawals that are accrued daily for the partial month, which is deducted directly from the accounts. In addition to the fees paid to us, each ETF, ETN, or index fund is subject to their own investment advisory, administrative, and other expenses. Further, transaction charges may apply when purchasing or selling a security. Fees to Julex are negotiable depending upon size of the account and other considerations.

In cases where Julex acts as a model portfolio advisor, either directly with an investment advisory client or on a third-party platform, or acts as a sub-adviser, the fees are negotiated between the parties. Fees can be payable quarterly in advance or in arrears, depending upon the party, based on the assets under management.

Consulting fees are negotiable and payable by way of invoice.

#### **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Julex does not make use of performance-based fees or side-by-side management at this time.

#### **ITEM 7 – TYPES OF CLIENTS**

Julex primarily provides products and services to a broad range of clients including individuals, financial planners, insurance companies, pension plans, endowments, and other institutions.

We currently request that new retail clients invest a minimum of **\$100,000**. We currently request that institutional clients invest a minimum of **\$5,000,000**. Julex will accept less than the minimum amounts in

certain situations.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS**

As previously stated, Julex has developed its own quantitative asset allocation model and three-step investment process that strives to deliver consistent returns in both bull and bear markets. We tend to reduce risks and preserve capital when the capital markets are weak while providing attractive returns when the capital markets are stronger. We believe that limiting losses is the key to generating above-market returns.

### A. Asset Class Products

Clients of Julex have a choice of nineteen different product strategies as follows:

1. The Dynamic Sector strategy is a strategy that seeks to achieve better returns than the Dow Jones Moderate U.S. Index as a primary benchmark and the S&P 500 Index as a secondary benchmark with lower volatility and lower peak-to-trough drawdowns. The strategy rotates between the S&P industry sectors, style classifications, and bond investments. It is a flexible strategy that will include allocations that can either be focused or diversified depending upon the risk environment.
2. The Dynamic Income strategy is a multi-asset class strategy that seeks to achieve better returns than the Barclay's Aggregate U.S. Bond Index with comparable volatility and lower peak-to-trough drawdowns. The multi asset class strategy can include ETF, ETN, or index fund investments in income-producing asset classes including dividend-paying equities, real estate, high yield bonds, emerging market bonds, U.S. corporate, mortgage and Treasury bonds. It is a flexible strategy that will include allocations that can either be focused or diversified depending upon the risk environment.
3. The Dynamic Multi-Asset strategy is a multi-asset class strategy that seeks to achieve better returns than the Dow Jones Moderate Index with lower volatility and lower peak-to-trough drawdowns. The multi asset class strategy can include ETF, ETN, or index fund investments in U.S. and international developed market stocks and bonds, as well as gold, energy, commodities, emerging market securities, and real estate. It is a focused strategy that will include only the four macro asset classes that are best determined to outperform in that risk environment.
4. The Dynamic Real Asset strategy is a multi-asset class strategy that seeks to achieve better returns than the Barclay's Aggregate U.S. Treasury Inflation Protection Securities Index with comparable volatility and peak-to-trough drawdowns. The multi asset class strategy can include ETF, ETN, or index fund investments in real asset classes including material and energy equities, real estates, MLPs, commodities, gold and U.S. Treasury Inflation Protection bonds. It is a flexible strategy that will include allocations that can either be focused or diversified depending upon the risk environment.
5. The Dynamic Emerging Market strategy is an emerging country ETF rotation strategy based on our multi-resolution trend analysis. Normally we invest in the emerging country ETFs with strong positive trends and avoid ETFs with negative trends. Portfolio weights are calculated based on trend strength and volatility.
6. The Dynamic Developed Markets strategy is a country ETF rotation strategy based on our multi-resolution trend analysis. Normally we invest in the developed country ETFs with strong positive trends and avoid ETFs with negative trends. Portfolio weights are calculated based on trend strength and volatility. During the back tested period, the models generated trade signals and portfolio weights monthly. We multiplied the portfolio weights by the returns of the respective ETFs to get portfolio returns.

7. The Dynamic Macro Opportunities II strategy is designed to seek better returns than the HFRI Macro (Total) Index while exhibiting less volatility and lower peak-to-trough drawdowns. The strategy is an equal-weighted combination of the Julex Dynamic Sector, Multi-Asset, and Income (with a no leverage) strategies and provides exposure to U.S. and International Equities, Commodities, Energy, and Bonds depending upon the underlying economic and fundamental and technical capital market environment. The Julex Dynamic Macro Opportunities II strategy is along-only strategy and will not use derivatives or leverage. The HFRI Macro (Total) Index is widely used as a benchmark for measuring the performance of alternative asset portfolios.
8. The Dynamic Sector Smart-Beta strategy is a strategy that seeks to achieve better returns than the Dow Jones Moderate U.S. Index as a primary benchmark and the S&P 500 Index as a secondary benchmark with lower volatility and lower peak-to-trough drawdowns. The strategy rotates between the S&P industry sectors, style classifications, and bond investments. It is a flexible strategy that will include allocations that can either be focused or diversified depending upon the risk environment. The strategy uses Smart Beta ETFs as part of its investment selection.
9. The TrueAlpha Large Cap strategy uses a quantitative process aiming to generate stock selection alpha unrelated to value, size or momentum. The strategy selects stocks in high quality firms that are more profitable, safer and less sensitive to business cycles. Security selection is limited to the Russell 1000® Index.
10. The Risk Managed TrueAlpha Large Cap strategy uses a quantitative process aiming to generate stock selection alpha unrelated to value, size or momentum. The strategy selects stocks in high quality firms that are more profitable, safer and less sensitive to business cycles. Security selection is limited to the Russell 1000® Index. A risk model is used to determine the timing of reducing exposure up to 100% to limit downside risks during severe market downturns.
11. The TrueAlpha ESG Large Cap strategy uses a quantitative process aiming to generate stock selection alpha unrelated to value, size or momentum. The strategy selects stocks in high quality firms that are more profitable, safer and less sensitive to business cycles. Security selection is limited to the Thomson Reuters CRI US Large Cap ESG® Index.
12. The Risk Managed TrueAlpha ESG Large Cap strategy uses a quantitative process aiming to generate stock selection alpha unrelated to value, size or momentum. The strategy selects stocks in high quality firms that are more profitable, safer and less sensitive to business cycles. Security selection is limited to the Thomson Reuters CRI US Large Cap ESG® Index. A risk model is used to determine the timing of reducing exposure up to 100% to limit downside risks during severe market downturns.
13. The TrueAlpha Small Cap strategy uses a quantitative process aiming to generate stock selection alpha unrelated to value, size or momentum. The strategy selects stocks in high quality firms that are more profitable, safer and less sensitive to business cycles. Security selection is limited to the Russell 2000® Index.
14. The Risk Managed TrueAlpha Small Cap strategy uses a quantitative process aiming to generate stock selection alpha unrelated to value, size or momentum. The strategy selects stocks in high quality firms that are more profitable, safer and less sensitive to business cycles. Security selection is limited to the Russell 2000® Index. A risk model is used to determine the timing of reducing exposure up to 100% to limit downside risks during severe market downturns.
15. The Risk Managed TrueAlpha All-Cap strategy uses a quantitative process aiming to generate stock

selection alpha unrelated to value, size or momentum. The strategy selects stocks in high quality firms that are more profitable, safer and less sensitive to business cycles. Security selection is limited to the Russell 3000® Index. A risk model is used to determine the timing of reducing exposure up to 100% to limit downside risks during severe market downturns.

16. The Dynamic U.S. Allocation strategy is a strategy that seeks to achieve better returns than the Dow Jones Moderate U.S. Index as a primary benchmark and the S&P 500 Index as a secondary benchmark with lower volatility and lower peak-to-trough drawdowns. The strategy rotates between the S&P industry style classifications, and bond investments. It is a flexible strategy that will include allocations that can either be focused or diversified depending upon the risk environment.
17. The Global Tactical Asset Allocation is a strategy that uses 50% weights of each a Domestic and International strategy. The domestic component is modelled after the Julex Risk Managed TrueAlpha Large Cap strategy and the International component is modelled after a combination of the Developed and Emerging Markets country ETF rotation strategies.
18. The Destination is a dynamic global asset allocation strategy designed to deliver target returns over a defined time horizon. The portfolio allocates 100% to a global tactical asset allocation strategy to maximize the probability of achieving the targeted return while limiting the downside risk.
19. Multi Factor Real Estate Strategy aims to deliver both income and capital growth by investing in REITs and real estate stocks. We use a quantitative model to select a concentrated portfolio of stocks with strong momentum, attractive valuation, smaller size and lower leverage to generate excess returns over the real estate benchmark.
20. The Risk Managed Multi-Factor Real Estate aims to deliver both income and capital growth by investing in REITs and real estate stocks. We use a quantitative model to select a concentrated portfolio of stocks with strong momentum, attractive valuation, smaller size and lower leverage. It has the flexibility of investing 100% of the portfolio in cash when the investment model finds the market environment is unfavorable for risk-taking.
21. High Dividend Strategy aims to generate around 4% average dividend over the long run and achieve better performance than the market average. We use a multi factor approach to select a concentrated portfolio of high dividend stocks with sustainable dividend growth, high quality and strong momentum.

#### B. “All-in-One” Portfolio Products

Julex also offers a suite of four global asset allocation solutions designed to provide targeted levels of risk. For these products we allocate appropriate combinations of the four major Julex products and other macro asset class ETFs, ETNs, or index funds into mixes supporting Dynamic Defensive, Dynamic Conservative, Dynamic Moderate, or Dynamic Aggressive “All-in-One” products.

1. The Dynamic Defensive strategy may be appropriate for investors with a very low tolerance for risk.
2. The Dynamic Conservative strategy may be appropriate for investors with a low tolerance for risk.
3. The Dynamic Moderate strategy may be appropriate for investors with a time horizon greater than five years and who have a moderate tolerance for risk.
4. The Dynamic Aggressive strategy may be appropriate for investors who have a 10 to 15-year time horizon, a large tolerance for risk and an ability to withstand a permanent loss of capital.



### C. Options Overlay

Julex offers a suite of options overlay strategies that aim to enhance portfolio performance through additional:

1. **Income Enhancement:** Options writing is an attractive way to generate income with a high probability of success, but the occasional losses can be painful. By using an iron condor approach with proprietary risk parameters, we can take advantage of consistent income with a defined risk exposure.
2. **Downside Protection:** Buying put options for protection can be very expensive. By using put spreads, we can balance the amount of protection an investor desires against the cost he wants to bear.
3. **Capital Appreciation:** Buying call spreads can offer investors an opportunity to participate a defined market upside with a desired amount of cost.

**Please see Item 4 – Advisory Business for more details of our investment process.**

Clients and prospective clients should be aware that all investments in securities are subject to loss and that loss of the entire investment is a risk they should be prepared to bear. This includes the risk of capital (invested amount) and any profits that have not been realized. Stock and bond markets may fluctuate substantially over time, and performance of any investment is not guaranteed.

Our investment strategies may not achieve their objectives and they are not intended to be a complete investment program.

The principal risks are:

**Market Risk:** The price of securities in the capital markets rise and fall daily. The determinants of security valuation are tied to explainable and unexplainable factors such that the projected underlying value may not be reflected in the current market price. Such factors could include changes in expectations due to social, political, or economic situations. Since the strategies invest in securities, the value of a client account could lose money for a short or long period of time.

**Equity Securities Risk:** Equity securities in a specific asset class, industry or country could be affected by situations within those areas that could impact the value of the stocks and ETF/ETNs held by the strategy. Since the strategies invest in equity securities, the value of a client account could lose money for a short or long period of time.

**Interest Rate Risk:** Fixed income bond valuations are impacted by fluctuations in interest rates that could impact the value of fixed income securities or ETF/ETNs held by the strategy. When interest rates used to price a bond rise, bond prices fall. Since the strategies could invest in fixed income securities, the value of a client account could lose money for a short or long period of time.

**Exchange-Traded Funds (ETFs) Risk:** Exchange-Traded Funds (ETFs) invest in underlying securities, including equities and fixed income assets. There is a risk that the ETF may be more volatile than the underlying portfolio of securities that the ETF is designed to track, or that the costs of owning the ETF is more expensive than holding the underlying securities separately. A full disclosure of the specific risks of an ETF is located in the respective prospectus of each fund.

**Exchange-Trade Notes (ETNs) Credit Risk:** An ETN is a senior, unsecured, unsubordinated debt security

issued by an underwriting bank. Similar to other debt securities, ETNs have a maturity date and are backed only by the credit of the issuer. In the event of issuer's default, ETN investors may lose all or part of its investments. A full disclosure of the specific risks of an ETN is located in the respective prospectus of each fund.

**Liquidity Risk:** Securities may be difficult to buy or sell depending upon market conditions. Julex uses liquid ETF/ETNs or index funds to implement its strategies, but market conditions such as light trading volume and wide bid/ask spreads may result in unfavorable trade executions.

**Sector/Country Concentration Risk:** An industry, market sector, or country could be negatively impacted by events that will cause the value of the strategy to decline. To the extent that some of our investment strategies invest significant portions of their strategy in ETF/ETNs representing particular markets or sectors or countries (such as Energy, Healthcare, Real Estate, etc. or Brazil, China, Korea, etc.) or in an ETF representing U.S. corporate bonds, mortgages and Treasuries, the strategy is more vulnerable to conditions that negatively affect such sectors as compared to an investment strategy that is not significantly invested in such sectors.

**Turnover Risk:** Frequent trading will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains that can negatively impact your overall investment as compared to investments in strategies with low turnover. Some of our investment strategies may involve frequent trading and/or turnover and investors should carefully consider the impact of taxes and brokerage costs on their investment portfolio.

**U.S. Government Securities Risk:** The risk that U.S. Government securities in the strategy will be subject to price fluctuations, or that an agency or instrumentality will default on an obligation not backed by the full faith and credit of the United States.

**Corporate Bond Credit Risk:** The risk of default or downgrade on corporate bonds in the strategies. Some of the ETFs or index funds in our strategy hold corporate bonds, which are subject to corporate credit risks.

**High Yield Bond Risk:** Investments in ETFs that hold high yield securities and unrated securities of similar credit quality are generally subject to greater levels of credit and liquidity risk.

**Sovereign Bond Credit Risk:** The risk of default or downgrade on a bond issued by a foreign country. Some of the ETF/ETNs or index funds in our strategy hold foreign bonds, which are subject to the sovereign credit risks

**Quantitative Model Risk:** Julex uses a sophisticated quantitative model for its strategies. There is a risk that the effectiveness of the model may be reduced over time as the markets evolve or as other similar strategies gain in acceptance.

**Key Man Risk:** Dr. Ma is the primary researcher and developer of the algorithms that produce the model output. Julex has contingency measures in place to deal with the incapacitation of Dr. Ma, although there is a risk the transfer of responsibility could result in less familiarity with current and ongoing research to the model.

**Computer Modeling Risk:** Julex makes use of a complex investment process that is converted into a quantitative model that is executed by computers. Though rigorous due diligence has been performed on all aspects of the Julex model, there is a risk that the quantitative computer model may contain one or more modeling errors that could adversely impact a client portfolio and such errors likely would not be considered a trade error under Julex policies.

**System Risk:** Julex makes extensive use of computer systems to manage and monitor its investment process. Computers and systems used by Julex, as well as by certain third-parties including brokers and custodians,

could be impacted by failures such as computer viruses or power failures. Though Julex has a business continuity plan designed to allow it to continue to operate in these situations, certain failures could cause an adverse effect on client portfolios.

Operational Risk: Julex maintains policies and procedures to control operational risk. Operational risks can arise in the security trading/settlement process or other administrative areas of the business. Disruptions in Julex's operations may cause Julex to suffer financial loss, the disruption of its business, liability to clients or third parties, regulatory intervention, or reputational damage. Julex relies heavily on its financial, accounting and other data processing systems.

Tax Considerations: Julex does not provide tax advice. Julex does not purchase ETFs that issue Schedule K-1's. Please consult a tax professional to help with your specific situation.

#### **ITEM 9 –DISCIPLINARY INFORMATION**

No one in our firm has any reportable disciplinary information.

#### **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

No one in our firm has other financial industry activities or affiliations.

#### **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Julex has adopted a Code of Ethics (“**Code**”) that address fiduciary duty, personal securities transactions, insider trading, gifts and conflicts of interests. The firm will always put the interests of its clients first.

However, there may be times Julex and/or its Advisory Representatives may trade in the same securities as its clients. In such cases, Julex will be “last in” and “last out”. Front running (trading shortly ahead of clients) is prohibited.

Each of the firm's “access” persons, as defined under the Investment Advisers Act of 1940, as amended, must read, sign and deliver a certificate of compliance with the Code and may only execute personal transactions that may conflict with client trades by requesting pre-approval from Julex's Chief Compliance Officer. S/he must provide initial securities holdings reports and annual securities holdings reports to the Chief Compliance Officer. Also, s/he shall submit either quarterly securities transaction reports or copies of all account statements and/or broker trade confirmations related to personal securities transactions in which such access person or any member of her or his immediate family has a beneficial ownership interest sent directly to Julex's Chief Compliance Officer within 30 days of each quarter.

A copy of Julex's Code of Ethics is available upon request to the Chief Compliance Officer at **(781) 489-5398**, the firm's principal address or by email at [info@julexcapital.com](mailto:info@julexcapital.com).

#### **ITEM 12 – BROKERAGE PRACTICES**

Julex maintains relationships with several broker-dealers. While you are free to choose any broker-dealer or other service provider, we recommend that you establish an account with a brokerage firm with which we have an existing relationship. Such relationships may include benefits provided to our firm, including but not limited to, administrative services that help our firm manage your account(s). We believe that recommended

broker-dealers provide quality execution services to our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm.

a. In cases where a Julex client requests a specific broker relationship in order to ease their administration or other reason, Julex will review each request and either accept or deny each request depending upon the circumstances and results of the analysis.

- i. In accepted directed brokerage relationships, Julex will use the services and follow the procedures of the accepted broker for the sole benefit or cost to the specified Julex client.
- ii. All trades with the directed broker are still subject to the Julex Trade Allocation Procedures and are followed at the account level.

Julex may, but will be under no obligation to, aggregate purchase or sale orders for a client account with purchase or sell orders in a particular security for other client accounts. In this case, Julex will always seek to allocate such investments fairly and equitably over time, but Julex cannot assure equality of treatment for all of its clients or assure that each opportunity will be proportionally allocated among participating accounts according to any particular or predetermined standards or criteria. Julex will always transact client accounts before the firm's own accounts.

***Julex does not have any soft dollar arrangements with any broker.***

#### **ITEM 13 – REVIEW OF ACCOUNTS**

All accounts are reviewed on at least a monthly basis relative to their account objective. Julex sends clients quarterly reporting packages, which include the quarterly report with investment positions and performance data and the Julex quarterly newsletter. Clients also receive monthly or quarterly statements from their custodian or our broker.

In the case of institutional clients, more frequent and more detailed reporting is customized and provided depending upon needs.

#### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

Julex is a party to written solicitation agreements with third party solicitors whereby they may introduce prospective clients to the firm. Under these agreements, Julex agrees to pay the solicitor a portion or percentage of the investment management fee the firm receives from certain investment management clients who engage it during the term of the agreement. Under these arrangements, a client will not pay higher fees than the standard Julex advisory fees.

A solicitor may be subject to conflicts of interest arising from these arrangements, because the payments might induce the solicitor to recommend an investment manager to a client which the solicitor might not otherwise recommend if there was no payment.

Such arrangements will comply with the requirements set forth under the Investment Advisers Act of 1940, as amended and/or the applicable state Securities Act, including a written agreement between Julex and the solicitor.

Third-party solicitors must provide a copy of the firm's ADV Part 2 (Disclosure Brochure) and a separate solicitor's disclosure statement regarding the relationship between the solicitor and Julex to the prospective client at the time of the solicitation or referral. The prospective client will be requested to acknowledge this arrangement prior to acceptance of the account for advisory services.

#### **ITEM 15 – CUSTODY**

Julex is deemed to have custody of client funds solely because of the fee deduction authority granted by the Client in its Investment Advisory Agreement.

Clients will receive account statements at least quarterly from their broker-dealer or other qualified custodian. Clients will also receive account reports from Julex on a quarterly basis. Clients should compare their custodial account statements with reports prepared by Julex for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of a client account for tax purposes.

#### **ITEM 16 – INVESTMENT DISCRETION**

For the accounts over which it has discretionary authority, Julex receives such authority from each client through its investment advisory agreement with each such client. With this authority, Julex has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. Discretionary trading authority facilitates placing trades in clients' accounts on their behalf so that Julex may promptly implement the investment policy that they have approved. In all cases, however, such discretion is exercised in a manner consistent with the stated investment objectives for each particular client account, including any limitations and/or restrictions imposed by the client.

With respect to its model portfolios provided to independent investment advisers, no discretionary authority is granted as each such customer of Julex retains discretionary authority over its own clients' assets.

#### **ITEM 17 – VOTING CLIENT SECURITIES**

In cases where the Julex client has delegated proxy voting responsibility and authority to us, we have adopted and implemented policies and procedures that we believe are reasonably designed to ensure that proxies are voted in the best interests of our clients. In pursuing this policy, proxies should be voted in a manner that is intended to maximize value to the client.

In the event requests for proxies are received with respect to the voting of equity securities on routine matters, such as election of directors or approval of auditors, the proxies usually will be voted with management unless we determine it has a conflict or we determine there are other reasons not to vote with management. On non-routine matters, such as amendments to governing instruments, proposals relating to compensation and stock option and equity compensation plans, corporate governance proposals and shareholder proposals, we will vote, or abstain from voting if deemed appropriate, on a case by case basis in a manner we believe to be in the best interest of the Company's shareholders. In the event requests for proxies are received with respect to debt securities, then we will vote on a case by case basis in a manner we

believe to be in the best economic interest of the Company's shareholders.

**ITEM 18 – FINANCIAL INFORMATION**

[Not applicable]

**ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

[Not applicable]

**Brochure Supplement (Part 2B of Form ADV)**

Xianghai “Henry” Ma, CFA, PhD

Jeff Megar, CFA

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This brochure supplement provides information about Xianghai “Henry” Ma and Jeffrey Megar, that supplements Julex’s brochure. You should have received a copy of that brochure. Please contact Xianghai “Henry” Ma at 781-489-5279 or [henry.ma@julexcapital.com](mailto:henry.ma@julexcapital.com) if you did not receive Julex Capital Management, LLC’s brochure or if you have any questions about the content of this supplement.

**Additional information about Xianghai “Henry” Maa and Jeffrey Megar is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2 – Educational background and Business Experience**

**Year of Birth: 1966**

**Educational Background:**

- Doctor of Philosophy, Economics, Boston University
- Master of Management, Peking University
- Bachelors of Economics, Peking University

**Business Experience:**

Dr. Ma has two decades of extensive hands-on and leadership experience in portfolio management, asset allocation, fixed income and global macro investments, quantitative research and risk management. Prior to founding Julex, he worked as a Portfolio Manager with Geode Capital Management, where he launched and managed a global macro hedge fund. Earlier, he served as Director of Quantitative Research and Financial Engineering with Loomis Sayles & Co., and Director of Quantitative Research and Risk Management with Fortis Investments. He led quantitative research and risk management groups to develop quantitative strategies, portfolio risk analytics and structured credit strategies. Dr. Ma also worked as Senior Vice President, Investment Strategies at Sun Life Financial, where he helped manage \$30 billion in fixed income assets and chaired the investment strategy and asset/liability management committee.

His investment career began with John Hancock Financial Services as a Senior Associate Investment Officer. He developed investment and derivatives strategies as well as oversaw \$3 billion in a multi-asset portfolio.

Dr. Ma is a published author and an industry speaker on the topics of quantitative investing, risk management and structured finance. Dr. Ma is a Chartered Financial Analyst.

**The Chartered Financial Analyst (CFA)** charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

As of 2019, there are more than 165,000 CFA charter holders working in over 164 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

**High Ethical Standards**

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charter holders to:

- Place their clients’ interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters



## **Global Recognition**

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organization is a champion of ethical behavior in investment markets and a respected source of knowledge in the global financial community. Our aim is to create an environment where investors' interests come first, markets function at their best, and economies grow. CFA Institute has nine offices worldwide and there are 158 local member societies.

## **Comprehensive and Current Knowledge**

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

### **Item 3 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Dr. Ma and Julex Capital Management. Dr. Ma has no history of reportable or disciplinary events.

### **Item 4 – Other Business Activities**

Dr. Ma is not involved in any other financial industry activities and does not have any financial industry affiliations.

### **Item 5 – Additional Compensation**

Dr. Ma does not receive additional compensation or economic benefits from third party sources in connection with his advisory activities.

### **Item 6 – Supervision**

Dr. Ma is an investment adviser representative of Julex Capital Management. In this role, Mr. Ma is responsible for the monitoring of client portfolios for investment objectives and other supervisory reviews. Jeff Megar, Managing Director, Brian Moran, Chief Compliance Officer and Liam Flaherty, Operations Manager, supervise Dr. Ma's advisory activities.

### **Item 7 – Requirements for State-Registered Advisers**

[Not applicable]

**Jeffrey Megar**, Managing Director

## **Item 2 – Educational Background and Business Experience**

**Year of Birth: 1962**

### **Educational Background:**

- Master’s in Business Administration, Financial Management, Northeastern University
- Bachelor of Arts, Economics, Framingham State University

### **Business Experience:**

Mr. Megar brings almost 20 years of investment management experience to Julex Capital. Most recently he was with F-Squared Investments where he was Senior Vice President and Investment Committee member. Prior to that he was a Vice President and Senior Portfolio Manager at State Street Global Advisors, where he had portfolio management oversight on a high yield bond mutual fund and institutional strategies. Before joining State Street, Mr. Megar was a Senior Portfolio Manager at Fortis Investments where he helped establish Fortis’ structured credit business, launching the firms inaugural Collateralized Loan Obligation (CLO). While at Fortis, he established a comprehensive investment and credit review process and managed the firms Leveraged Loan platform. Prior to Fortis, Mr. Megar held various credit position at CypressTree Investment Management and Prospect Street Investments.

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The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

#### **Item 3 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Mr. Megar and Julex Capital Management. Mr. Megar has no history of reportable or disciplinary events.

#### **Item 4 – Other Business Activities**

Mr. Megar is not involved in any other financial industry activities and does not have any financial industry affiliations.

#### **Item 5 – Additional Compensation**

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

#### **Item 6 – Supervision**

Mr. Megar is the Managing Director, Portfolio Manager and Client Relations Manager, of Julex Capital Management. In his role, Mr. Megar is responsible for Portfolio Management and Client Relations Management Julex products and solutions. Brian Moran, the Chief Compliance Officer and Henry Ma, Julex President supervises Mr. Megar's activities.

#### **Item 7 – Requirements for State-Registered Advisers**

[Not applicable]