



INVESTEC ADVISORY GROUP, L.P.
— Strategies For Life —

Form ADV – Part 2A

Firm Brochure

March 2012

This brochure provides information about the qualifications and business practices of Investec Advisory Group, L.P. If you have any questions about the contents of this brochure, please contact us at 713-622-9111 or john@theinvestecgroup.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.

Additional information about Investec Advisory Group, L.P. also is available on the SEC's website at www.adviserinfo.sec.gov.

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Material Changes

Since our last amendment to Part 2 of Form ADV in March 2011, there have been no material changes. A full copy of this document is available on request.

Table of Contents

Advisory Business.....	1
Fees and Compensation.....	3
Performance-Based Fees and Side-By-Side Management.....	4
Types of Clients	4
Methods of Analysis, Investment Strategies and Risk of Loss	5
Disciplinary Information	7
Other Financial Industry Activities and Affiliations.....	7
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	8
Brokerage Practices.....	10
Review of Accounts	11
Client Referrals and Other Compensation	12
Custody	12
Investment Discretion	12
Voting Client Securities	12
Financial Information.....	12

ADVISORY BUSINESS

Investec Advisory Group, L.P. (“Investec” or the “Firm”) has been in business since July 19, 2000. The principal owner is John Goott. Investec is the successor to Investec Group, Inc., which John founded in 1984.

Investec provides investment management and financial planning services to affluent individuals and their families. In addition, the Firm provides fiduciary investment monitoring services to the trustees of corporate retirement plans.

Investec consults with clients regarding their personal financial goals and objectives. The client’s individual situation determines an appropriate portfolio structure – the allocation of assets among investment classes and the management of risk through diversification.

Consulting Services for Individuals and their Families

Investec provides its clients with *Strategies for Life*. They build lasting relationships with clients and their families – coordinating their life goals with financial solutions. The advisors combine their expertise and overriding concern for the clients’ interests. As a multi-generational family business, Investec understands the critical role family dynamics plays in wealth management.

In addition, Investec helps clients plan for wealth preservation – an effective, tax-efficient transfer of assets to the next generation, along with the values and skills to steward them wisely.

Investment Management Services

Investec provides investment management services to its affluent clients, which may include:

- An analysis of current investments, investment strategy and risk tolerance.
- Education on investment principles and how a client may relate an investment plan to specific financial goals.
- Creation of an Investment Policy Statement for review and approval by the client.
- Development of asset allocation models to assist in the selection of asset classes that are consistent with the client’s stated investment objectives, personal risk tolerance and overall financial goals.
- Research and identification of money managers that are compatible with the client’s Investment Policy Statement. This will generally be based upon quantitative analysis such as risk and performance criteria using available published data, and subjective, qualitative analysis.
- Monitoring and reporting of investment results and the performance of a client’s portfolio and/or money managers.
- Ongoing review and rebalancing of each client’s portfolio.

Tailored Advisory Services

Clients may direct Investec to restrict the purchase or sale of certain securities. These restrictions may be changed or removed by the client at any time.

Financial Planning Services

Investec provides the following services to help clients navigate life's transitions and meet the challenges that lie ahead:

- **Retirement and Cash Flow Planning** – A personalized analysis is developed based on discussions with clients about their needs, wants and wishes. Various methods are used to illustrate the likelihood of achieving these goals, including probability of success calculations.
- **Estate Planning** – Investec works with clients and their estate attorneys to develop an estate plan, designed to effectively carry out the client's wishes while reducing or eliminating estate tax liabilities. Consideration is given to gifting strategies and various trusts, in addition to the use of more advanced techniques such as family limited partnerships and charitable vehicles. Investec will also work in coordination with the trustees appointed by a client to ensure that the wishes of the grantor are carried out according to the terms of any trusts that are established.
- **Tax Planning*** – Investec reviews the income tax consequences of the investment strategies a client may employ. Additionally, the Firm may introduce concepts designed to reduce a client's income or estate taxes, as appropriate. Consideration is given to various strategies such as: utilizing NUA (net unrealized appreciation) in a client's company-sponsored retirement plan, distributing income from a trust to a beneficiary to take advantage of lower tax brackets, income tax leveling, Roth IRA conversions, etc. Investec will also work in coordination with clients' tax professionals.

* Investec is not a CPA firm.

- **Insurance Planning** – Existing life, disability income and long-term care insurance coverage is evaluated to determine if it is cost-effective and appropriate for a client's needs.
- **Education Planning** – Projected future costs of a college education will be illustrated to help a client set aside suitable funding levels to provide for future needs. Both taxable and tax-free investment accounts may be considered for education funding. These accounts will then be reevaluated and rebalanced on an ongoing basis.

Additional Services

Investec provides additional services to clients that go beyond the realm of traditional financial planning. Investec helps guide their clients through the financial impact of life's changes, such as the birth of a child or grandchild, the death of a loved one, retirement, divorce and marriage or remarriage. The Firm can provide guidance with other situations including purchasing a car, refinancing a mortgage or addressing the cost of a health care need. In addition, Investec works together with other professionals engaged by the client, such as accountants and attorneys.

Consulting Services for Institutional Clients

Retirement Plans

Investec provides investment consulting and monitoring services to the trustees of qualified retirement plans, including 401(k) plans. As independent consultants, Investec assists plan fiduciaries in:

- Highlighting deficiencies in their investment process;
- Recommending appropriate changes that follow prudent practices;
- Monitoring and ongoing review of plan investments; and
- Coordinating education and enrollment meeting for plan participants.

This service includes an independent review and oversight of the investment options provided to plan participants and recommendations to plan trustees for fund selection. Investec undertakes regular reviews of each investment option and provides ongoing assistance in the evaluation of and recommendation for the replacement of funds where appropriate.

Investec also assists plan trustees and/or their investment committees in the development and review of an Investment Policy Statement. This includes the selection of appropriate asset classes to be included and made available as investment options.

Endowments and Foundations

Investec provides the same investment management services to other institutional clients, such as endowments and foundations, as those provided to its individual clients. Investec assists the client in the drafting of an Investment Policy Statement (IPS), which would document and identify the major asset classes and limitations on investments to be made on behalf of the client. Investec will assist the client in the selection of the investment managers [which would include mutual funds, exchange traded funds (ETFs) or separate account managers (SAMs)] and monitor and evaluate their investment performance.

Assets Under Management

As of December 31, 2011, Investec had assets under management of \$250,957,640 comprised of \$223,517,666 in discretionary assets and \$27,439,974 in non-discretionary assets.

FEES AND COMPENSATION

Investec is compensated for the services discussed above based upon a percentage of assets under management according to the following fee schedule:

<u>Managed Assets</u>	<u>Annual Rate</u>
First \$750,000	1.00%
Next \$750,000	0.75%
Next \$1,000,000	0.50%
Next \$7,500,000	0.40%
Next \$10,000,000	0.20%
Additional Assets	Negotiable

Investec charges a minimum aggregate annual fee of \$9,375, which equates to \$1,000,000 in assets under management based on the fee schedule outlined above. Fees from more than one account may be combined to meet the minimum aggregate annual fee requirement. The fee minimum may be waived for up to one year for certain clients who may need a period of months to accumulate over \$1,000,000 in their managed account at the discretion of Investec. Clients with accounts established prior to December 31, 2008 may be subject to a different fee schedule. Accounts established for regular distributions are charged an annual rate of 0.40%.

Fees are calculated quarterly in arrears in accordance with the Investment Advisory Agreement. Such fees are deducted directly from the account(s) unless otherwise agreed to in advance by Investec and the client.

Investec reserves the right to allow for differences in fees and account minimums when a reduced level of service is acceptable to the client and/or a business purpose justifies such action.

Mutual funds are always purchased on a “no load” or load-waived, non-commissionable basis. Thus, the client will not be subject to any front-end or back-end sales charges. Investec will endeavor to avoid an early redemption fee imposed by certain funds, unless the benefit of the “sell decision” is expected to outweigh the cost of such redemption. At no time would these fees inure to the benefit of Investec.

Transaction and custodial fees, mutual fund expenses and/or separate account manager costs will be paid by the client from their account(s). Investec does not receive, either directly or indirectly, any part of these additional fees or commissions.

Termination

Investment Advisory Agreements may be terminated by the client, without penalty or charge, upon delivery of written notice to Investec within five (5) business days after the date of the client's execution of the Investment Advisory Agreement. Thereafter, Investec or the client may terminate the agreement upon receipt of written notice, unless otherwise agreed to. Fees will be prorated based on the market value of the portfolio on the final date of termination and withdrawn from the client account(s).

Should the client remove Investec from the account prior to the final prorated fee being withdrawn, the client agrees to make payment to Investec within fifteen (15) days of receipt of the final invoice.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Investec does not charge any performance-based fees or engage in side-by-side management.

TYPES OF CLIENTS

Investec provides investment management and financial planning services to affluent individuals and their families. In addition, the Firm provides investment services to the trustees of corporate retirement plans, endowments, foundations and trusts.

As discussed in the Fees and Compensation section of this brochure, Investec charges a minimum aggregate annual fee of \$9,375, which equates to \$1,000,000 in assets under management. The Firm reserves the right to allow for differences in fees and account minimums when a reduced level of service is acceptable to the client and/or a business purpose justifies such action.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investec uses a combination of the following types of analysis in evaluating investments for client accounts:

- Quantitative – which includes analysis of:
 - ✓ Performance consistency
 - ✓ Volatility and downside risk relative to their benchmarks and peers
 - ✓ Level of assets on which the track record is based
 - ✓ Expenses
 - ✓ Manager tenure
- Qualitative – which includes analysis of:
 - ✓ Manager's investment philosophy
 - ✓ Team focus
 - ✓ Stability and culture of the organization
 - ✓ Team quality

Investec provides different investment platforms to clients to implement their investment strategies. Portfolios will be invested primarily in mutual funds or exchange traded funds (ETFs) but, in certain circumstances, may also include the purchase of individual stocks or bonds, hedge funds or alternative investments. Investment strategies and recommendations may be based upon many factors, including but not limited to: diversification, risk factors, time horizon, investment discipline and income tax considerations.

Investment Philosophy

Asset Allocation and Fund Selection Discipline

The term asset allocation means different things to different people. Some investors equate asset allocation with short-term market timing. Others view it as a dynamic process of identifying longer-term valuation discrepancies between asset classes and taking advantage of these to either increase return without increasing risk, or to lower risk without sacrificing return. Some asset allocators use technical analysis (statistical models of price and volume data) to time shifts from one asset class to another. Others combine numerical analysis and qualitative judgment. Finally, some take a very long-term view of asset allocation and advise static allocations to various asset classes based on investor risk tolerance. While there is no single "correct" way to allocate assets, Investec does not advocate short-term market timing or sole reliance on technical analysis.

Investec's asset allocation decisions assume a minimum three-year time frame. Three years is long enough to give them confidence that underlying investment fundamentals, rather than short-term market sentiment, will drive returns. However, Investec tests the overall portfolio risk in consideration of its one-year loss threshold. Occasionally this forces changes in portfolio allocations based on a long-term decision horizon – though most of the time it does not.

There are three primary steps to Investec's asset allocation for its model portfolios:

1. Establishing a neutral allocation for each portfolio type.
2. Shifting the allocation away from neutral primarily when there are compelling investment opportunities:
 - When one asset class is extremely undervalued relative to competing asset classes;
 - When cyclical or other factors don't significantly detract from the valuation story; or
 - When long-term trends that Investec believes will have a major impact in defining the upcoming investment climate don't detract from the valuation story.
3. Reviewing scenario analysis that tests the portfolios' exposure to various downside risks.

Step 1: Neutral Allocations

A neutral allocation reflects a logical, static, strategic asset allocation for a long-term investor who is not using active asset allocation. It is based on an evaluation of the historical long-term risk and return relationships of the asset classes, and what Investec considers to be realistic and reasonable expectations going forward. This is the starting point for the active asset allocation process.

Step 2: Active Management – Compelling Investment Opportunities

Investec's active asset allocation process (decisions to invest differently from neutral), emphasizes researching for opportunities in the markets.

Compelling Investment Opportunities: Financial markets are generally efficient – assets are priced fairly (based on all publicly available information) most of the time. This means that it is typically difficult to "out-smart" the market. However, the market does, occasionally, offer investors exceptional opportunities. Capturing a portion of the return from these opportunities, and locking them in for a full market cycle, can result in market-beating performance over a cycle.

Step 3: Scenario Analysis

Investec reviews scenario analysis to assess risk exposure in each of the model portfolios. This analysis considers different possible scenarios that could trigger a stock market decline. They then qualitatively assess the downside to stocks and bonds, and specifically, the individual funds the Firm selects to determine the downside exposure to the overall portfolios in each scenario. This analysis may lead Investec to be more or less defensive at any given time.

Fund Selection and Implementation

Once the asset classes are established, Investec then focuses on fund selection. Choosing the right funds is important – as even within a single asset class, performance can vary widely. Cost is a key factor and Investec seeks to minimize costs by investing in institutionally priced funds that have the lowest cost structure available. Occasionally fund choice can alter the asset allocation strategy. If the Firm has a high degree of confidence in a particular fund manager, they may allocate slightly more to that manager's asset class. On the other hand, if there are no attractive funds in an attractive asset class, they may use index funds as an alternative.

Conclusion

Investec's investment discipline means taking action only when the chances of success are considered very high. Fundamentally, the Firm takes a long-term approach - looking for value in both the equity and debt markets throughout the world. After identifying compelling asset-class opportunities, the Firm executes its strategy using the best funds it can identify. The "best" funds are determined using a host of quantitative and qualitative criteria. Risk control is also critical. Investec manages risk probability through diversification and ongoing scenario analysis that tests for downside risk tolerance in severe sell-offs. Portfolio management is a dynamic process, calling for constant attention and adjustment at the margin to enhance returns as well as to control risk.

Investment Risks and Rewards

Investec advisory representatives work directly with each client to determine the most appropriate combination of risk and reward to meet stated personal financial objectives. This is done by way of a personal interview process and may include the completion of a questionnaire. Full disclosure by the client of their overall financial situation will greatly assist in an appropriate determination of a client's investment policy. Where appropriate, this is done in conjunction with a retirement and/or estate plan. Client are responsible for notifying Investec of any changes in their financial situation or their goals and objectives.

Securities and other investments carry different types and levels of risk. These risks are typically discussed with clients in defining the investment policies and objectives that will guide investment decisions for their accounts. Investec advisory representatives discuss investment strategies that they believe may reduce these risks for a particular client's circumstances.

Clients must understand that obtaining higher rates of return on investments necessitates higher levels of risk. Based upon discussions with clients, Investec advisory representatives attempt to identify the balance of risk and reward that is appropriate and comfortable for the client. It is the clients' responsibility to ask questions if they do not fully understand the risks associated with an investment. Clients are encouraged to read prospectuses and ask questions throughout the investment process.

Investec advisory representatives use their best judgment when rendering advice. However, Investec cannot assure clients that investments will be profitable or that no losses will occur in their portfolios. Investing in securities entails a risk of loss, which the client should be prepared to bear. Past performance is an important consideration with respect to any investment or investment advisor, but it is not a predictor of future performance.

DISCIPLINARY INFORMATION

There have been no legal or disciplinary actions against Investec or its advisory representatives.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Some advisory representatives of Investec are licensed to sell insurance products, including life, disability income and long-term care insurance through Investec Asset Management Group, Inc. (IAMG), an affiliated life and health brokerage agency, which is licensed under various state insurance boards. These insurance transactions would generate compensation in the form of commissions.

Some advisory representatives of Investec are also licensed securities representatives with an affiliated limited broker/dealer, Financial Paradigms, Inc. (FP) - Member FINRA and various state jurisdictions. Variable life and variable annuity products are offered through FP to Investec clients as appropriate. No other trades are enacted through FP, so there is minimal conflict of interest between Investec and its clients. The sale of these variable contracts would generate compensation in the form of commissions.

Investec, IAMG and FP have common ownership and some advisory representatives are officers in both companies.

Investec discloses to clients that they are not required to purchase insurance contracts through its affiliated companies. When an Investec client purchases a product through IAMG or FP, the value of the insurance product is not included in the calculation of Investec's quarterly investment management fee.

Investec has a relationship with another investment advisor, Tanglewood Wealth Management, Inc. (TWM) who acts as sub-advisor to provide investment management services to a small number of Investec's clients. Investec reviews their performance on an ongoing basis. No financial planning is provided by TWM to these clients. Investec sets and collects the fees for common clients and pays TWM its share of the fees.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

Investec has adopted a Code of Ethics which describes the general standards of conduct the Firm expects of all personnel (collectively referred to as employees) and focuses on upholding the highest standards of behavior in order to protect the clients' interests and personal information and to maintain the Firm's dedication to integrity.

Failure to uphold the Code of Ethics may result in disciplinary action, including termination from the Firm. Any client or prospective client may request a copy of the Firm's Code of Ethics for review.

The following basic principles guide all aspects of the Firm's business and represent the minimum requirements to which the Firm expects employees to adhere:

- The interests of the client come before the interests of the Firm and those of the Firm's employees.
- The Firm and its employees must comply with all applicable laws, rules and regulations governing investment advisor activities.
- The Firm will disclose all material facts about conflicts of interest or potential conflicts of interest.
- Neither the Firm nor its employees will engage in any practice, transaction or course of business which defrauds, deceives or manipulates a client or potential client.
- The Firm will render advice that is both objective and appropriate.
- All business dealings will be conducted in the highest ethical and professional manner.
- The Firm and its employees will protect the confidentiality of all client information.

- Neither the Firm nor its employees will take inappropriate advantage of their positions of trust with or responsibility to clients.
- Firm employees are prohibited from falsifying or altering records or reports.
- Firm employees are prohibited from trading, either personally or on behalf of others, while in possession of material, non-public information (also known as “insider information”). Firm employees are also prohibited from conveying non-public information to others.
- Firm employees are prohibited from using information regarding client trade orders to influence trades in either their personal accounts or the accounts of others.
- Firm employees may not accept or give luxurious or extravagant gifts, especially where such gift is in relation to the business of the Firm.

Additionally, the Code of Ethics contains provisions regarding:

- A review of the Code of Ethics, at least annually, to ensure that it remains updated and pertinent to the Firm’s business.
- Acknowledgment by the Firm’s employees that they have read, understand and agree to abide by the Code of Ethics.
- Instruction for the reporting of any violation or possible violation of the Code of Ethics.

Personal Securities Trading

Employees of Investec may maintain personal brokerage accounts in which they trade individual securities. These accounts and all trading activity therein must be disclosed. The Firm receives copies of these outside brokerage account statements and reviews all transactions no less often than quarterly. Additional restrictions on the purchase or sale of securities may be imposed if Investec determines a conflict or a potential conflict of interest may exist.

As previously discussed, Investec’s portfolios are invested primarily in mutual funds and exchange traded funds (ETFs). Investec does not routinely advise its clients to buy individual securities. As mutual funds are traded once daily, at the market close of business, there exists no opportunity to affect pricing, therefore no employee, client or group of clients could benefit from preferential pricing. Buys and sells of exchange traded funds (ETFs) are generally executed in “block trades” so that all clients receive the same average price per share.

Employees may trade in the same securities with client accounts on an aggregated basis consistent with Investec’s obligation of best execution. In such circumstances, the employee and client accounts will receive securities at the same average price.

Outside Business Activities

Employees are required to report to Investec any outside business activities which generate revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed to the clients.

BROKERAGE PRACTICES

Investec recommends that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker/dealer, Member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although Investec recommends that clients establish accounts at Schwab, it is the client's decision whether or not to do so. Investec is independently owned and operated and not affiliated with Schwab.

Schwab provides Investec with access to its institutional trading and custody services, which are not typically available to Schwab retail investors. These services are generally available to independent investment advisors on an unsolicited basis, at no charge to them, as long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services and are not otherwise contingent upon Investec committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or that would require a significantly higher minimum initial investment.

Schwab generally does not charge separately for custody services for Investec client accounts but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or settle into Schwab accounts.

Investec negotiates with Schwab to ensure that clients receive transaction costs and commission rates that are competitive with other brokerage firms. (This negotiation occurs on an ongoing basis for all clients, rather than on a trade-by-trade basis.) Schwab undertakes to provide clients with best execution for trades of individual securities.

Research and Other Benefits

Schwab Advisor Services makes available products and services that benefit Investec, but may not directly benefit its clients' accounts. These products and services, that may assist Investec with managing and administering client accounts, include: software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitating trade execution and allocation of aggregated trade orders for multiple client accounts; providing research, pricing information and other market data; facilitating payment of Investec's fees from its clients' accounts; and assisting with back-office support, recordkeeping and client reporting. Many of these products and services may be used to service all or a substantial number of Investec's accounts, including accounts not maintained at Schwab.

Schwab Advisor Services may also provide other services intended to help Investec manage and further develop its business enterprise. These services may include: compliance, legal and business consulting; publications and conferences on practice management and business succession; and access to employee benefits providers, human capital consultants and insurance providers. In addition, Schwab may make available, arrange and/or pay independent third parties for these types of services rendered to Investec. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to Investec. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment to Investec personnel. The availability to Investec of the foregoing products and services is *not* contingent upon Investec committing to Schwab or enacting any specific amount of trading.

At this time, Investec is not recommending other brokerage firms, other than for the custody of Section 529 education accounts and corporate retirement plans. Investec has researched other firms and will

continue to consider other firms to provide this service; however, at this time, none have exceeded the capabilities, cost and service offered to Investec and its clients by Schwab.

In the past, Investec was designated by Schwab as an Advisor Network member. This designation allowed Investec to receive referrals of Schwab clients who expressed an interest in engaging an independent advisor. Investec resigned from this arrangement in 2003; however, the Firm remains obligated to compensate Schwab a portion of the fee for clients acquired in the past under that agreement.

Directed Brokerage

Although Investec recommends that clients custody their accounts at Schwab, clients may choose to execute trades through another brokerage firm. In these instances, clients are responsible for negotiating the terms and arrangements for those trades. As a result, clients may pay higher commissions or other transaction costs, greater spreads or less favorable net pricing. In addition, these clients are not able to participate in aggregated trade orders (block orders).

REVIEW OF ACCOUNTS

Reviews of investment advisory accounts will be completed no less frequently than quarterly, though the managed positions within clients' accounts will be continually monitored.

Investec is responsible for reviewing mutual funds and making asset allocation decisions. Investec reviews the investments within each account for performance, portfolio manager changes (amongst other criteria) and the ongoing benefit to clients' accounts based on their objectives and Investec's outlook for such securities. Investec may rely on a number of published sources for investment research. Investec's Principals make the final decisions on all investment selections, asset allocation changes and buy/sell decisions.

In providing financial planning services, Investec meets with its clients to gather information and assess their current financial situation and relies on the clients to provide the Firm with updates to any of the pertinent information. Once Investec fully understands the client's needs and objectives, strategies to meet those goals are developed. Advice is given on a best-efforts basis and may be communicated verbally and/or in written format.

On an ongoing basis, it is up to each client to seek out the Firm's advice in the various areas of financial planning services. Investec prefers to meet with each client at least annually to discuss and address their financial planning needs.

Financial planning clients are provided with reports which can vary from client to client and may include a review of the client's: retirement cash flow, estate plan, insurance coverage, education planning needs or tax strategies as deemed appropriate by Investec. Such reports may or may not be in writing and may entail different depths of analysis.

Investment management clients are provided with reports as follows:

- The custodian sends the client an account statement on a monthly or quarterly basis detailing current portfolio positions and all transactions completed within the statement time period.
- A written quarterly report may be issued by Investec, which includes a portfolio appraisal and a quarterly performance report. Where applicable, a sub-advisor may prepare quarterly reports for clients on behalf of Investec.

CLIENT REFERRALS AND OTHER COMPENSATION

Investec does not pay outside parties for referring clients.

Some of Investec's advisory representatives are licensed insurance agents and may receive compensation for insurance-related activities as noted in the Other Financial Industry Activities and Affiliations section of this brochure. Please refer to this section for additional information.

CUSTODY

Investec does not take possession of client assets. Clients are required to open accounts with a qualified custodian. The SEC has deemed that Investec has custody of client assets only to the extent that the Firm is given authority by its clients to deduct investment management fees from their accounts. Investec has procedures in place to ensure that fees are calculated in accordance with each client's Investment Advisory Agreement.

Clients receive regular account statements from their custodian and should carefully review and compare those statements with the performance reports that they receive from Investec. If significant discrepancies are found, both Investec and the custodian should be notified.

INVESTMENT DISCRETION

Investec provides investment consulting services and advice on either a discretionary or non-discretionary basis. For discretionary accounts, the Firm has full trading authority over client accounts under a limited power of attorney as described in the Investment Advisory Agreement and the custodian's account application. As a result, Investec will determine, without obtaining specific client consent, the amount and type of securities to be bought or sold in a client's portfolio. For non-discretionary accounts, clients must provide permission before any trade is placed in their accounts.

VOTING CLIENT SECURITIES

Investec does not vote proxies or participate in class action shareholder suits for its clients. Clients receive proxy material directly from their account custodian by email or U.S. mail. Clients may address questions concerning a proxy matter to Investec.

FINANCIAL INFORMATION

There is no financial condition that is reasonably likely to impair Investec's ability to continue to provide services to its clients.