



**Firm Brochure**  
**(Part 2A of Form ADV)**

**GenSpring Family Offices International, LLC**

**701 Brickell Ave, Suite 2100**

**Miami, FL 33131**

**+1 (305) 825-2225**

**[www.GenSpring.com](http://www.GenSpring.com)**

**April 18, 2012**

This Brochure provides information about the qualifications and business practices of GenSpring Family Offices International, LLC ("International"). If you have any questions about the contents of this Brochure, please contact us at +1(305) 825-2225 or [genspring.compliance@genspring.com](mailto:genspring.compliance@genspring.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

International 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 about which you determine to hire or retain an Adviser.

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

## **Item 2 – Material Changes**

This Brochure dated April 18, 2012 has been amended since the last annual update to reflect new practices and procedures and include additional disclosures. A summary of the material changes to this Brochure is below:

- International's name changed as reflected on the cover page;
- Disclosure about payment of performance fees to supervised persons in Item 6;
- Disclosure added to address the sharing of facilities and personnel with an affiliate and the use of independent contractors to solicit clients in Item 10 and 14; and
- Disclosures about the International's brokerage practices and trading policies added in Item 12; and
- International's Custody designation changed as described in Item 15.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Patrick Paparelli, Chief Compliance Officer ("CCO") at +1(561) 746-8444 or [genspring.compliance@genspring.com](mailto:genspring.compliance@genspring.com).

Additional information about International 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 International who are registered, or are required to be registered, as investment adviser representatives of International.

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Brochure Supplement is provided separately to clients.

## **Item 4 – Advisory Business**

### **Firm Description**

GenSpring Family Offices International, LLC (“International” or “the Firm” or “we”) is organized as a limited liability company under the laws of the State of Florida and is an investment adviser registered with the Securities and Exchange Commission (“SEC”).

International was formally TBK Investments, Inc., which had been established in June 2000 as an investment adviser registered with the SEC.

TBK Investments, Inc. was acquired by GenSpring Holdings Inc. in August 2007 and was converted to a LLC called GenSpring International, LLC. Effective August 18, 2011, International officially changed its name to GenSpring Family Offices International, LLC.

### **Principal Owners**

Effective October 3, 2011, International is a wholly-owned subsidiary of GenSpring Family Offices, LLC (“GFO”). GFO is wholly-owned by GenSpring Holdings, Inc., which is wholly-owned by SunTrust Banks, Inc. (“STI”), a publicly traded financial services holding company (Ticker: STI). Certain key International executives own a 19.5 percent preferred voting interest in GFO which is voted in consultation and, in certain significant circumstances, in agreement with other senior management team members. GenSpring Holdings, Inc. (formally known as Asset Management Holdings, Inc.) was purchased by STI in April 2001.

### **Type of Services**

International is a multi-family office, whose business model is to provide comprehensive wealth management services and solutions to ultra-highnet worth clients primarily from Latin America and Southern Europe on a non-discretionary basis. Investment advisory services include quarterly reporting and a formal portfolio review meeting on at least an annual basis.

Our wealth advisory philosophy is based on providing our clients with objective investment advice and recommendations. We do not “sell” financial products, which we believe contributes towards our ability to pursue recommendations of investment manager and vehicles which we believe are focused solely on the best interests of our clients. Clients are serviced by Relationship Managers and an Investment Team.

## Overview of Services

As a component of its asset-allocation methodology, International recommends advisers to manage a portion of a client's accounts. Depending on clients' needs and objectives, International may recommend affiliated or unaffiliated money managers to manage a portion of a client's portfolio should clients accept these recommendations. Such money managers will have discretion to determine the type and amount of securities to be purchased or sold for the client for that portion of the client's assets managed by the money manager. For the majority of International's clients, International provides investment supervisory services using affiliated and unaffiliated investment managers and pooled investment vehicles, including, but not limited to, mutual funds, exchange traded funds, limited partnerships and hedge funds. A multi-level due diligence and evaluation process is used to evaluate investment managers and funds, employing both quantitative and qualitative techniques to identify the managers we feel best meet our client's objectives. To the extent clients invest directly or indirectly in unaffiliated funds, the managers of such funds will have their own investment practices, and those independent investment practices will be described in each manager's Form ADVs or such funds' offering documents.

With regard to its non-discretionary investment advisory services, International's specialization is not in any one given instrument or asset class, but rather in the ongoing process of: (1) assessing client objectives; (2) developing an appropriate asset allocation to best achieve those objectives and modifying that allocation when risks/opportunities are present; and (3) evaluating investment managers and assessing where it is most appropriate to use active or passive strategies. International performs this analysis with the support of GFO. International works with GFO's Investment Advisory Committee to evaluate investment managers, construct portfolios for clients, and perform due diligence on client recommendations.

Client portfolios are advised in accordance with each client's investment objective, taking into consideration risk tolerance, time horizon, tax issues, liquidity and cash flow needs, restrictions/constraints, and other relevant guidelines. International's wealth management services involve recommendations of client assets among different asset classes with varying levels of risk and return. International may recommend changes to this allocation in an attempt to take advantage of conditions in the current economic environment, while being sensitive to transaction costs and taxes, as appropriate/applicable/advised. These changes may be short-term underweight or overweight to various asset classes and are designed to capitalize on current economic conditions over the short-term.

To this end, International's recommendations for client portfolios are diversified across a variety of asset classes, including cash, defensive, growth, and private investments. Accounts may include, without limitation, equity securities, fixed income securities, limited partnerships, managed accounts, mutual funds, exchange traded funds, hedge funds, commodity futures, options, private equity, venture capital investments and other alternative investment consistent with a client's suitability, overall investment strategy, and risk tolerance.

**Reporting Services.** International provides reporting services, within the "global" Consolidated Report ("Report"), to clients who request the Firm to report on the investments and physical holdings that are not recommended or managed on a non-discretionary basis by International. For these holdings, International does not participate in the selection of advisers or in the decisions regarding the selection, purchase, or sale of the specific securities or assets in the client accounts. Consequently, International assumes no liability for the appropriateness of the holdings or for any diminution of value of assets for which the reporting services are provided.

**Family Office Services.** International works with GFO's Innovation and Learning Center to provide family office services including but not limited to family governance, education, and philanthropy.

**Wrap Fee Programs.** International does not participate in wrap fee programs.

#### **Assets**

International client assets are advised on a non-discretionary basis. As of December 31, 2011 client assets approximated \$ 1,825,890,510.

### **Item 5 – Fees and Compensation**

**Annual Wealth Management Fee.** International's wealth-management fees may be subject to negotiation based on factors such as the overall complexity of the client's financial affairs, the number of investing entities, the nature and location of the services provided and other unique factors. International fees are generally charged as a percentage of Assets Under Advisement ("AUA") and are payable by clients quarterly in arrears. Fees typically range from 0.45% to 1.50% of total AUA, although in some instances fees are negotiable. A flat fee arrangement may be implemented when International and the client mutually agree such an arrangement is appropriate. The specific manner in which wealth management fees are charged is established in a client's written agreement with International. Fees are calculated and billed on a quarterly basis in arrears according to the value of assets calculated as of the close of business on the last trading day of the previous calendar quarter. Clients are billed directly for all

fees incurred. International does not accept arrangements whereby fees are billed directly to the client's custodian and subsequently paid by the custodian.

**Assets Under Advisement   Annual %**

<25 Million	* see below
25 – 35 Million	0.90%
35 –45 Million	0.85%
45 – 60 Million	0.75%
60 – 100 Million	0.60%
100 – 200 Million	0.55%
200 – 500 Million	0.50%
> 500 Million	0.45%

\* Assets under \$25 million will be subject to case-by-case analysis which may result in a fixed fee arrangement or a basis point fee depending on the servicing requirements.

Some existing clients' fee schedules may differ from the above basic schedule based on prior contractual relationships and/or historical fee schedules.

Unless otherwise specified in the investment advisory agreement, International shall prorate fees for each significant capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the number of days the account was advised on during the quarter. Upon the termination of any relationship, any accrued but unpaid fees will be due and payable.

**Other fees.** Clients may incur certain charges imposed by custodians, brokers, third party investments and other third parties, such as fees charged by other managers, custodial fees, commissions, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage and custodian accounts and securities transactions and certain other expenses. Fees to International do not include any fees due to third-party money managers that provide services to the client or the underlying fees and expenses associated with the mutual funds, exchange traded funds, or alternative investments (including affiliated products) in which client's invest their assets. Mutual fund and exchange traded fund fees and expenses are paid by the funds but are ultimately borne by the client as a shareholder of the funds.

These other fees are not included in International's annual wealth management fee and are borne separately by the Client to the extent incurred. In addition, fees and commissions assessed by unaffiliated advisers are exclusive of and in addition to

International's fees, and International shall not receive any portion of these fees, commissions, and costs from unaffiliated advisers.

Fees charged by advisers depend on several factors, including the size of investment, trading strategy, and degree of risk. Adviser management fees generally range from 0.10% to 5.00% of assets per annum. In addition, some advisers may charge performance fees up to 50% or more on the portfolio, such performance fees may be based upon unrealized appreciation as well as realized gains. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus or other disclosure documents.

The client may contract directly with investment managers, brokers, and custodians to provide services with regard to his or her assets and thus will be charged separately by such entities for their services.

Out-of Pocket Expenses. In addition to fees, clients may be responsible for certain out-of-pocket expenses for reasonable and direct costs incurred by International on the client's behalf. These out-of-pocket expenses may include but may not be limited to travel costs and expenses incurred by International in connection with meetings or affiliate-sponsored client events, copying, long-distance telephone calls, facsimile charges, messenger and/or express delivery services, and special research items. In such cases, International will provide its clients with an invoice containing a detailed description of such expenses.

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

In certain instances, International may be compensated for investment advisory services based on a share of the overall account performance of all or a portion of client assets (an "incentive fee"). The terms of any incentive fee are based upon a negotiated arrangement with the client. International anticipates that such client relationships and arrangements will also pay "base fees" calculated on the market value of the AUA. International will enter into an incentive-fee arrangement only if the client meets the definition of a qualified client under Section 205-3 of the Investment Advisers Act of 1940, as amended ("Advisers Act"). International will structure performance or incentive fee arrangement subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemption thereunder, including the exemption set forth in Rule 205-3.

To date, International has entered into incentive-fee arrangements with a small number of qualified clients. Such fees are subject to individualized agreements with each such client in an attempt to increase the fees it is paid.

Incentive-based fee arrangements create conflicts of interest. International can potentially receive higher fees from accounts with a performance-based compensation structure than from those accounts that pay solely the asset-based fee as described in Item 5. For example, International could recommend investments that may have more risk to the account that pays a performance-based fee.

To manage these conflicts International's policies and procedures are designed and implemented to verify that all clients are treated fairly and equitably, and to prevent this conflict from influencing the recommendations of investment opportunities made to clients. Specifically, International does the following to manage conflicts: (1) an incentive-fee arrangement occurs only when requested by the client; and (2) the client determines, with International, the methodology to calculate an annual performance fee, usually at the inception of the client agreement. Details of the calculation of any performance fee are included in the client's written agreement with International.

## **Item 7 – Types of Clients**

International provides investment advisory services to individuals, high net worth individuals, trusts, charitable institutions, foundations, banking institutions, private investment companies and other qualified clients primarily from Latin America and Southern Europe.

International generally accepts clients with minimum assets of \$25 million. However, International will consider accommodating smaller portfolios. Instances that may merit such an accommodation include, but are not limited to (i) the perception by International of potential for significant account growth, or (ii) a relationship between the prospective account holder to one or more of International's existing clients. Fees for such accounts are negotiated on a case-by-case basis.

In many cases, International enters into investment services agreements with individuals and entities whereby the advice provided to that individual or entity is used to service multiple relationships.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis**

International's methods of analysis include charting, fundamental, technical and cyclical.

- **Charting** – In this type of technical analysis, charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Also charts of market, security and economic data are used to help identify the timing of the market moving up or down and to predict how long trends may last and when trends might reverse. A chart is a historical record of price movements. Charting will often reveal patterns that repeat over and over with the same outcome but there is no guarantee in finding these tendencies and patterns or that historical records are an indicator of current or future movements.
- **Fundamental** – Fundamental analysis is using real data to evaluate a security's value. For example, fundamental analysis can be performed on a bond's value by looking at economic factors, such as interest rates and the overall state of the economy, as well as information about the bond issuer, such as potential changes in credit ratings. For assessing stocks, this method uses revenues, earnings, future growth, return on equity, profit margins and other data to determine a company's underlying value and potential for future growth. In terms of stocks, fundamental analysis focuses on the financial statements of the company being evaluated. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating a security.
- **Technical** – This form of value analysis focuses on patterns of volume and price fluctuations for a given stock as compared to the activity of the larger, general market indicators. Securities are evaluated for purchase or sale based on an analysis of market statistics such as volume and prices over time as seen on charts, etc. that are believed to establish relational patterns that predict future movements in the markets. This relative comparison has little or no concern for any company's fundamental structure, production or worth. Technical analysis assumes that all the market factors are known to and considered by all the market's participants, although the market can act in irrational ways. Technical analysis purports to see repeatable patterns in similar market conditions, but any one of many factors may alter the outcome of an otherwise similar situation.
- **Cyclical** – There are industries in which profits rise and fall on a cyclical basis. As profits of companies follow cyclical patterns, so do their stocks: going up and down, reflecting the current stage of the business cycle. There are a wide variety of industries that can be described as having distinct business cycles: oil and gas, semi-conductors, car-manufacturing, mining, home-building, fertilizer production and many others. Their main feature is that their profits and thus

stock prices follow similar rising and falling patterns over the long run. There is no guarantee that historical trends will indicate current cycles.

In addition, certain client accounts are subject to the methods of analysis described in the offering documents of the underlying funds in which such International's clients may be invested, which may be different than the methods of analysis explained above. Please see such fund's offering and disclosure documents for further information.

The main sources of information that International uses includes publicly available sources, such as newspapers, internet, company press releases, annual reports and corporate rating services, as well as internal research developed by International's or its affiliate's own investment professionals.

The qualitative factors used by International to determine the names of third-party money managers will include: reputation, performance record, philosophy, the continuity of management, services to clients, minimum dollar investment requirement, and fees. Information with respect to money managers (e.g., performance figures, investment style, etc.) will be obtained by International from tracking organizations, business publications, money managers, and other sources. International may also consider other criteria, including, without limitation, administrative, recordkeeping, and reporting services provided by a money manager.

#### Investment Strategies Used To Implement Investment Advice

Investment advice provided by International to clients is based on a number of factors, including, but not necessarily limited to, the client's investment objectives, risk tolerances, asset class preferences, time horizons, liquidity needs, expected returns, and an assessment of current economic and market views expressed by economists, analysts, banks, and securities firms. A registered investment adviser representative will determine a client's investor profile and prepare a proposed asset allocation plan appropriate based on that profile. Investment strategies are developed for each client, which attempt to achieve diversification by investing over time, across asset classes, within asset classes, across various investment styles, and by diversifying across global markets.

Generally, investment strategies emphasize long-term growth in a diversified portfolio intended to meet the client's long-term financial objectives. Nevertheless, investment strategies used to implement investment advice include short-term purchases (securities sold within a year), trading (securities sold within 30 days), long-term purchases (securities held at least a year), short sales, option-writing strategies, including covered options or spreading strategies, or margin transactions.

In addition, certain client investment accounts are subject to the investment strategies described in the offering documents of the underlying funds in which such International clients are invested, which may be different than the strategies explained above. Please see those funds' offering and disclosure documents for further information.

International utilizes investment research and tools developed by GFO with respect to capital market expectations, portfolio construction methodology and portfolio implementation solutions. Frequently, clients require that their financial assets remain in the custody of various financial institutions that are not able to implement International's optimal recommendations. In this regard, International will select investment options available at such institutions in order to implement the specific asset allocation plan. International will evaluate the options made available by such financial institutions based on information provided such as manager fact sheets, fees assessed, vehicle structure, performance track record, etc. In these circumstances, direction by a client to use a particular financial institution may result in higher costs, less favorable investments, or underperforming investments than might be the case if International could freely recommend investments not limited to a particular financial institution or platform. Further, the amount of due diligence that International can perform is reduced by the limitation imposed by these financial institutions. Accordingly, International will rely on the financial institutions due diligence process to recommend appropriate strategies to clients that will best fit their allocation plan.

#### Risk Of Loss:

**Investing in securities involves risk of loss that clients should be prepared to bear.** All investments carry risk of loss and there is no guarantee that any investment strategy will meet its objective. Depending on the type of security, your account may face the following investment risks:

Other Funds: International may recommend affiliated and unaffiliated funds (including, but not limited to, U.S. or offshore unit investment trusts, open-end and closed-end mutual funds and hedge funds, private equity funds, venture capital funds, advisory accounts, real estate investment trusts, ETFs, or other private alternative or other investment funds, regardless of whether any of the foregoing investment vehicles are affiliated with us) (collectively, "Other Funds and Managers"). These Other Funds and Managers will charge their own management and other fees, so that if we recommend them, the client will bear an additional level of fees and expenses. Some of these funds may pay fees to International's affiliates. International does not receive fees from these funds. Also, U.S. mutual funds generally must distribute all gains to investors, including negative tax effects on investors, particularly non-U.S. persons. International may also invest in exchange traded funds, unit investment trusts, or other similar vehicles designed to track the performance of a specific index or sector. These

Other Funds may have unique risks of loss as described in their offering and disclosure documents.

**Interest rate risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

**Inflation risk:** The impact of inflation will erode purchasing power over time.

**Currency risk:** Non U.S. dollar investments will be subject to the fluctuations in the value of the dollar against foreign currencies, which is also referred to as exchange rate risk.

**Reinvestment risk:** This risk is presented as future investments may have to be re-invested at lower rates of return. This typically occurs with fixed income securities and when capital market expectations are lowered.

**Business risk:** These risks are associated with a particular industry or a company within an industry. The performance of the company and/or the industry may carry a higher risk due to potential reversals in profitability.

**Foreign and emerging market security risks:** Investments in securities in foreign markets involve different risks than those risks affecting U.S. issuers. These risks can include the following: limited public financial information, less local government supervision and regulation of securities and exchanges, higher brokerages commission to execute trades, different income taxation requirements, political and economic risks, and currency restrictions which can impact security values and liquidity.

**Diversification risk:** Investments that are concentrated in one or a few industries or sectors may involve more risk than more diversified investments, including the potential for greater volatility.

**Equity Risk:** Investments in equity securities generally involve a high degree of risk. Prices are volatile and market movements are difficult to predict. These price movements may result from factors affecting individual companies or industries. Price changes may be temporary or last for extended periods. In addition to, or in spite of, the impact of movements in the overall stock market, the value of investments may decline if the particular investments within the portfolio do not perform well in the market. Prices of growth stocks may be more sensitive to changes in current or expected earnings than prices of other stocks. Prices of stocks may fall or fail to appreciate regardless of movements in securities markets.

Generally, International will generally seek to avoid exposure to initial public offerings, although the possibility of said investment may occur. Such investments may pose a significant risk or potential for significant returns.

**Market Risk:** The success of client portfolio activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws, trade barrier, currency fluctuations and controls, and national and international political circumstances. These factors may affect the level of volatility of securities prices and the liquidity of investments in client portfolios. Such volatility or illiquidity could impair profitability or result in losses.

**Extraordinary Events:** Global terrorist activity and United States involvement in armed conflict may negatively affect general economic fortunes, including sales, profits, and production, and may lead to depressed securities prices and problems with trading facilities and infrastructure.

**Fixed Income Risks:** Investments in fixed income securities represent numerous risks such as credit, interest rate, reinvestment, and prepayment risk, all of which affect their price (i.e., value). These risks represent the potential for a large amount of price volatility. In general, securities with longer maturities are more sensitive to price changes. Additionally, the prices of high yield, fixed-income securities fluctuate more than high quality debt issues. Prices are especially sensitive to developments affecting the company's business and to changes in the ratings assigned by rating agencies. Prices are often closely linked with the company's stock prices. High yield securities can experience sudden and sharp price swings due to changes in economic conditions, stock market activity, large sales by major investors, default, or other factors. Developments in the credit market may have a substantial impact on the companies we may invest in and will affect the success of such investments. In the event of a default, the investment may suffer a partial or total loss.

**Increased Regulations:** Events during the past several years and adverse financial results have focused attention upon the necessity to maintain adequate risk controls and compliance procedures. These events have led to increased governmental and self-regulatory authority scrutiny of the financial industry. Various national governments have also expressed concern regarding disruptive effects of speculative trading and the need to regulate the markets in general. Any regulations that restrict the ability to employ, or broker-dealers and counterparties to extend, credit or restrict trading activities could adversely impact profit potential.

**Market Liquidity Risks:** The value of securities held in client accounts and that are traded on exchanges and the risks associated with holding these positions vary in response to events that affect asset markets in general. Market disruptions such as those that occurred in 1987, September 2001, and more recently the Flash Crash in May 2010 could lead to violent price swings in securities held within client portfolios and could result in substantial losses.

Potential Concentration: Client portfolios may have highly concentrated positions in issuers engaged in one or a few industries. This increases the risk of loss relative to the market as a whole.

Small Capitalization Companies: A substantial portion of assets may be invested in smaller and less established companies. Both debt and equity securities of such issuers tend to be more volatile than larger, more established companies. Such volatility could adversely impact client portfolios.

Large Company Risk: Large cap stocks can perform differently from other segments of the equity market as a whole. Large capitalization companies may be less flexible in evolving markets or unable to implement change as quickly as smaller capitalization companies.

Non-U.S. Investment: Such securities (*debt, equity, currencies, derivatives, etc.*) expose the portfolio to a number of risks that may not exist in the domestic market alone. Such risks include, among other things, trade balances and imbalances and related economic policies, currency exchange rate fluctuations, imposition of exchange control regulation, withholding taxes, limitations on the removal of funds or other assets, possible nationalization of assets or industries, political difficulties, and political instability in foreign nations.

Short Sales, Leverage and Derivatives: Short sales, leverage and derivatives all represent substantial risks given their inherent heightened risk of loss. Leverage and derivatives imply borrowing capital. When such borrowing is deployed, losses can escalate quickly should investments suffer even small losses. Short sales involve a finite opportunity for appreciation, but a theoretically unlimited risk of loss. Short positions are also subject to a “short squeeze” that could lead to accelerating losses for those short that particular security.

## **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 your evaluation of International or the integrity of International’s advice. International has no such information to disclose.

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

### **Broker Dealer**

No management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

### **Commodity Pool Operator and Commodity Trading Adviser**

GFO, an affiliate of International is registered as a Commodity Pool Operator and Commodity Trading Adviser in accordance with the Commodity Exchange Act or the rules of the Commodity Futures Trading Commission ("CFTC") and is a member of the National Futures Association ("NFA"). Certain employees of GenSpring Holdings, Inc. and GFO (both of which are affiliates of International) are registered as Associated Persons, and/or Branch Office Managers and/or Principals pursuant to the Commodity Exchange Act and NFA Registration Rules.

### **Other Relationships and/or Arrangements Material to Advisory Business**

International is a wholly-owned subsidiary of GFO which is wholly-owned by GenSpring Holdings, Inc., which is wholly-owned by SunTrust Banks, Inc. ("STI"), a publicly traded financial services holding company (Ticker: STI). Certain key International executives own a 19.5 percent preferred voting interest in GFO which is voted in consultation and, in certain significant circumstances, in agreement with other senior management team members. Consequently, International is affiliated with various STI entities as described below. GFO also owns Teton Trust Company which is also described below.

- (1) **Broker-Dealers.** International is affiliated with SunTrust Robinson Humphrey, Inc. ("STRH") and SunTrust Investment Services, Inc. ("STIS"). Both STRH and STIS are U.S. registered broker-dealers and members of the Financial Industry Regulatory Authority ("FINRA", formerly NASD) and are members of the Securities Investor Protection Corporation. STRH conducts a general securities business with the public, acting as a broker and a dealer in stocks, bonds, mutual funds, options, and limited partnership interests, underwriter of bonds (U.S. agency, municipal and corporate) and equity securities, and maintains an active research department and a municipal bond statistical department. STIS is an introducing broker that clears trades through National Financial Services Corp. STIS conducts a general securities business with the public, acting as a broker and a dealer in stocks, bonds, mutual funds, options, and other investments.

International may recommend to its non-discretionary advisory clients securities for which an affiliate serves as broker or lead underwriter or co-manager or member of an underwriting syndicate, subject to restrictions and other limitations described in Item 11.

- (2) **Investment Companies.** International may recommend, for investment by clients, certain investment companies registered under the 1940 Act and managed by either GFO or RidgeWorth Capital Management, Inc.

("RidgeWorth"), a registered investment adviser and wholly-owned subsidiary of STI. RidgeWorth and GFO advise certain registered onshore and offshore mutual funds; please refer to GFO's and RidgeWorth's Schedule D of Form ADV Part 1 for a list of these mutual funds. The investment companies that GFO manages and advises include onshore and offshore mutual funds structured as "master-feeder" funds, which have the same investment objectives. International may invest client assets in other affiliated mutual funds. These funds generally contain fund-level advisory fees payable to International's affiliates. No such fund level advisory fees are paid to International.

- (3) Investment Advisers. International is affiliated with a number of investment advisers registered with the SEC, including GFO and RidgeWorth, who each manage registered investment companies as described above that may serve as investment vehicles for clients' assets. Please refer to their Form ADV for specific information about each affiliated investment adviser.

International shares office space with GFO's Miami Local Family Office located at 701 Brickell Ave, Suite 2100, Miami, Florida 33131, and certain employees of International are also non-salaried representatives of GFO. The sharing of office space and employees will pose conflicts of interest because GFO personnel may have access to confidential and client information of International.

International, as a subsidiary of GFO, is able to utilize GFO resources including, but not limited to, investments, marketing, finance, human resources, innovation and learning center and compliance. Additionally, International's key personnel are GFO employees that are also non-salaried employees of International and include the Chief Executive Officer, the Chief Investment Officer, the Chief Operating Officer, the Chief Compliance Officer, and the Senior Executive Partner.

International has arrangements with GFO, in which (A) International provides certain reporting and non-investment related services to GFO, or (B) GFO acts as a sub-advisor to International. Revenue derived from these arrangements is shared between International and GFO. See disclosures in the GFO ADV.

Additionally, International is affiliated STIS, a dual registrant broker-dealer and investment adviser.

Additional affiliated investment advisers that are wholly-owned by RidgeWorth with whom International is affiliated and has no material business relationships include: Ceredex Value Advisors LLC (801-68739), Certium Asset Management LLC (801-68742), Seix Investment Advisors LLC (801-68743), Silviant Capital Management LLC (801-68741) and StableRiver Capital Management LLC (801-68744). Zevenbergen Capital Investments LLC (801-62477) is a registered investment adviser of which RidgeWorth has an ownership interest of less than

25%. Please refer to each adviser's Form ADV for specific information about that adviser.

International's Chief Investment Officer and Chairman of GFO's Strategic Investment Advisory Committee, Jean Brunel, is engaged in outside business activities with an investment consulting services firm that implements investment policy statement and evaluates and selects investment managers for both domestic and international clients. Additionally, International's President, Santiago Ulloa, holds a minority investment in a non-financial services company, for which he also serves on the board of directors. These outside business activities pose conflicts of interest for International that are similar to those described under Item 11 and International seeks to address and monitor them in a similar fashion.

- (4) Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser. International's affiliate GFO is also registered as a Commodity Pool Operator and Commodity Trading Advisor in accordance with the Commodity Exchange Act or the rules of the Commodity Futures Trading Commission ("CFTC"), and is a member of the National Futures Association ("NFA"). Certain employees of GenSpring Holdings, Inc. and GFO are registered as Associated Persons, and/or Branch Office Managers and/or Principals pursuant to the Commodity Exchange Act and NFA Registration Rules.
- (5) Banking or Thrift Institutions. International is affiliated with SunTrust Bank ("SunTrust"), a Georgia banking corporation, and Teton Trust Company, a Wyoming chartered trust company and subsidiary of GFO. For additional information please refer to the GFO ADV Part 2A. Additionally, SunTrust and International have a shared corporate officer performing financial management functions for International.

Entities that Create or Package Limited Partnerships. SunTrust International Banking Company ("SIBCO"), a wholly-owned subsidiary of SunTrust, creates private offshore corporations for collateralized loan obligations and collateralized debt obligations, which are advised by either STRH or RidgeWorth. Further, some of the previously identified affiliated SEC-registered investment adviser, including GFO and Seix Investments Advisers, manage their own private funds. These and other affiliated investment advisers act as the general partner or manager to several private funds. Such private funds are offered and sold pursuant to their PPMs to only eligible investors. International may recommend its clients make investments in registered or unregistered limited partnerships sponsored and managed by GFO. Complete and accurate information about such affiliated private funds and mutual funds is available in GFO's Form ADV and those funds' offering and disclosure documents.

#### Selection of Other Investment Advisers

International may recommend other investment advisers to serve as advisors or sub-advisers to manage portions of certain clients' investment accounts. Some of these advisors or sub-advisers are affiliates of International.

GFO provides International access to its approved investment manager/investment fund recommended lists including direct access to investment manager/investment funds on the recommended lists.

### Employees

An employee, independent contractor, and supervised person may be paid compensation through an affiliate of International and International may reimburse this affiliate for such expenses. Certain individuals affiliated with International are employees of GenSpring Holdings, Inc.; these individuals may work exclusively for, but not in all cases, International and are deemed "supervised persons" of International. Further, International also employs independent contractors who do work on site and have knowledge of and/or access to confidential and client information; these independent contractors are also deemed "supervised persons" of International. Pursuant to the Advisers Act, the Firm's Chief Compliance Officer, or his/her designee, will monitor the activities of all such supervised persons, regardless of technical employment status, in accordance with Item 11.

### **Item 11 – Code of Ethics**

Pursuant to SEC Rule 204A-1, International has adopted a written Code of Ethics ("Code") that sets forth standards of conduct and federal securities law requirements applicable to all supervised persons as defined in the Advisers Act. In addition to providing general guidelines for overseeing client professional services, the Code stresses the avoidance of actual or perceived conflicts of interest by specifically prohibiting its employees from engaging in certain transactions or activities. The Code also includes ethics policies, prohibitions, and principles for doing business designed to emphasize that supervised persons are in a position of trust with clients. All supervised persons are required to comply with ethical restraints relating to clients and their accounts, including restrictions on giving gifts to, and receiving gifts from, clients in violation of the firm's gift policy. Further, employees are required to report all Code violations to the CCO. Code violations may result in disciplinary action or dismissal.

International will provide a copy of the Code to any client or prospect upon request.

### Participation or Interest in Client Transactions

International acts as a non-discretionary investment advisor to numerous clients. International is not obligated to recommend, or to refrain from recommending, the purchase, or sale of, any security that International or its access persons, as defined by rules under the Advisers Act and the 1940 Act, may buy or sell for their own accounts or recommend for the accounts of any client. International is not obligated to refrain from

investing in securities held by accounts that it manages except to the extent that such investments violate the Code adopted by International.

Certain, officers, members, and employees of International and its affiliates ("Related Persons") are also clients or investors. Further, relatives of the Related Persons may also be clients of International. International may recommend to clients, among other things, securities in which International's Related Persons have a financial interest. International's Related Persons may purchase for themselves securities or other investments which one or more clients own, previously owned, or will own in the future, including interests in affiliates' private funds. As these situations may represent a potential conflict of interest, International has adopted procedures relating to personal securities transactions and insider trading, both of which are described below, that are reasonably designed to prevent actual conflicts of interest.

There may be times when the sale or purchase of a security for a Related Person may precede, occur at the same time, or follow the sale or purchase of a security for a client, subject to the overriding principle that the interests of clients must come before the interests of International or its Related Persons.

International, directly or through an affiliate, may advise on simultaneously parallel accounts in some cases with the same portfolio managers, with similar objectives, but with differing fees to International, in some cases performance-based fees. International also may similarly advise on simultaneously certain accounts that may hold short positions in a security for which other advised accounts are long. International may, from time to time, unknowingly recommend the purchase or sale of securities in which SunTrust, or another affiliate, has a position or interest or does business. International's many affiliates with multiple lines of business make this likely. International's policy is to advise on each account independently and fairly and recognizes and seeks to control the conflicts of interest inherent in such practices.

In general, International has a policy under which most investment advisory activities are generally autonomous from any investment or other securities activities of the SunTrust affiliated banks and companies. This investment philosophy is designed to prevent International's personnel from having knowledge of the business and investment activities carried on by those banks and companies for their own accounts, other than in a fiduciary capacity, and vice versa.

### Restrictions on Personal Securities Transactions

To address the conflicts of interest that arise with the personal trading of International's employees, International has defined the categories of Related Persons who fall within the term "Access Person" and, as required by Advisers Act's Rule 204A-1, such Access Persons must report their securities holdings annually and their securities transactions quarterly, subject to limited exceptions. Employees must also obtain pre-approval from the Chief Compliance Officer ("CCO") or his/her designee to invest in initial public offerings and private placements. All Access Persons may direct their brokers to

forward copies of all personal securities transactions confirmations and brokerage statements for every account in which they or their immediate family members have a beneficial interest in lieu of transaction reports. These reports or confirmations and statements are submitted to and reviewed by the CCO or his/her designee. Personal Securities Transactions and Holdings Reports of the CCO will be reviewed by a member of the Compliance team.

### Insider Trading Policy

International may, from time to time, come into possession of material nonpublic and other confidential information which, if disclosed, might affect an investor's decision to buy, sell, or hold a security. Under applicable law, International may be prohibited from improperly disclosing or using such information for its personal benefit or for the benefit of any other person, regardless if such other person is a client. Accordingly, should such persons come into possession of material nonpublic or other confidential information with respect to any company, they may be prohibited from communicating such information to, or using such information, for the benefit of, clients and have no obligation or responsibility to disclose such information to, nor responsibility to use such information for, the benefit of, clients when following policies and procedures designed to comply with law.

The Code also contains a policy "Statement on Insider Trading," adopted in accordance with Advisers Act Section 204A, which establishes procedures to prevent the misuse of material nonpublic information by supervised persons. Supervised persons are prohibited from trading, either personally or on behalf of others, while in possession of material nonpublic information in violation of the law. Any supervised person who fails to observe the aforementioned policies risks serious sanctions, including dismissal and personal liability.

### **Item 12 – Brokerage Practices**

International recommends brokers, dealers, banks, or other qualified custodians to clients only at the client's request. When International makes such recommendations, it recommends brokers, dealers, banks, or other qualified custodians on the basis of the nature of the security, the basis of pricing, quality of service, range of products, the desired timing of the trade, and jurisdiction, among other factors. Such recommendations may include both affiliated and unaffiliated entities.

International does not have the authority to determine, the securities to be bought or sold, the amount of securities to be bought or sold, or to select the broker or dealer to be used or the commission rates paid.

In many cases, International recommends either affiliated or unaffiliated investment managers to handle the day-to-day investment of client accounts. To the extent that

investment managers recommended by International purchase securities from other broker-dealers on which brokerage commissions or sales loads are charged, International relies upon the fiduciary responsibility of each investment manager to review such charges regularly and continuously based on comparative standards that it may regard as pertinent for the purpose of evaluating the reasonableness of such commissions.

#### “Soft Dollar” or Research/Execution Policy

International, as a matter of policy, does not pay for any research, research-related products, or other brokerage services on a soft-dollar basis and maintains no soft-dollar arrangement with SunTrust, any other custodian, or broker-dealer; however, International may receive unsolicited research that does not increase the cost of trading for its clients. International does not track the extent to which any client’s brokerage may have resulted in International’s receipt of incidental proprietary research information from any particular brokerage firm.

Portions or all of a client account may be managed by other affiliated or unaffiliated money managers. Such managers may utilize soft dollars and may have soft-dollar arrangements and “soft dollar” policies that differ from International. Please see the Form ADV for such managers for further information.

Trading Policies International’s procedures prohibit unfair trading practices and seek to avoid or disclose any actual or potential conflicts of interests or resolve such conflicts in the clients’ favor in order to ensure that the clients’ interests are always treated fairly. Nevertheless, International is a non-discretionary adviser who does not trade client accounts. Accordingly, International endeavors to fairly allocate its recommendations across all clients in a respective investment strategy. International’s business model is one which primarily recommends that clients employ unaffiliated and affiliated investment managers to manage portions or all of a client’s account. Such managers may have trading policies that differ from or conflict with those of International. Please see the Form ADV for such managers for further information about their specific policies.

### **Item 13 – Review of Accounts**

International client accounts will undergo periodic reviews on at least an annual basis. Such reviews will be conducted by the Relationship Managers in conjunction with the supporting member(s) of the International investment and operation team.

International Reports are not intended to replace the statement provided by a client's custodian(s) or broker(s), which should be considered a client's official record for all pertinent account information. International's Reports are provided in a different format from that of a client's custodian or broker and may vary in content and scope. Therefore, clients should compare the information in the Reports to the statement provided by their custodian(s) or broker(s).

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

International has entered into solicitation agreements with individuals, financial intermediaries or others who may or may not be affiliated with International. All solicitation agreements will comply with Firm Policy and Rule 206(4)-3 under the Advisers Act and any other law as applicable. These solicitation arrangements, where applicable, require an affiliated solicitor to disclose such affiliation, and require a third party solicitor to provide each prospective client with a copy of the Firm's Form ADV Part 2A and 2B and Privacy Policy and to disclose to the prospective client the nature of the arrangement between the solicitor and the adviser. Payment to the solicitor by International or any affiliate will not increase the general fees paid by the prospective client. International will pay GenSpring, or any affiliate, a percentage of the fees earned in certain arrangements.

A solicitation agreement exists between Lighthouse Investment Partners, LLC ("Lighthouse") and STI for originating funds, either directly or indirectly through STI or one of its affiliates, for investment in certain private investment pools managed by Lighthouse or one of its affiliates. Per the agreement, compensation is paid to STI for the origination of funds by STI or its affiliates. Any compensation paid under the agreement that is related to International's clients is passed through to those International clients.

SunTrust and STI have adopted incentive plans pursuant to which officers and employees of the bank holding company and its subsidiaries may receive incentive compensation for referring investment business to the subsidiaries of SunTrust/STI, including International. Clients referred to a SunTrust/STI affiliate pursuant to these arrangements may become the indirect beneficiaries of investment advisory services

provided by International to affiliated banks under International's contracts with such affiliate. Likewise, International may share with affiliates, or receive from affiliates or former affiliates, various internal credits or payments in connection with various service arrangements among such companies.

In compliance with applicable law, International or an affiliate may, from time to time, pay event attendance or participation or other fees, underwrite charitable or industry events, including sponsoring independent or affiliated speakers or provide gifts of value to, or at the request of, an organization or individual that, among other things: (i) offers or includes products or services of International or an affiliate in a particular program; (ii) permits International access to their financial advisers, brokers, employees, or other affiliated persons to provide training, marketing support, and educational presentations on products or services affiliated with International; and/or (iii) refers or has referred a client to International. International may obtain products and services from consulting firms separate and apart from any recommendations made to clients for International's investment services. Additionally, certain affiliated or third-party institutions provide financial support on a voluntary basis for marketing, educational, and sales meetings of International and affiliates. The amount of any such payments to or from International and affiliates may be substantial. These payments pose conflicts of interest for the parties that receive them. A client should obtain from its intermediary any details of any such payments received by such intermediary from International or affiliates. This type of payment generally does not increase the product cost to clients.

International's affiliates may make payments from their own capital resources or otherwise provide benefits to certain intermediaries for marketing support services. These payments would not increase the amount of advisory fees paid by International clients.

## **Item 15 – Custody**

International is not a qualified custodian and does not provide custodial services to its Clients. Clients select banks or registered broker-dealers to provide custody of client assets. An affiliate of International, SunTrust Bank, provides custodial services to certain GFO clients who are also International clients. The SunTrust Bank accounts reflected on International Reports are part of the consolidation of all client assets including those managed by GFO, per the client's relationship with GFO. Effective January 1, 2012, International meets the requirements of the Advisers Act for determining that it is "Operationally Independent" from SunTrust Bank.

Clients should receive quarterly statements directly from the broker dealer, bank or other qualified custodian that holds and maintains the Client's investment assets.

International urges clients to carefully review such statements and compare such official custodial records to the consolidated account Report that International provides to clients. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

International serves as a non-discretionary investment adviser to its client's accounts. In that role, it is engaged to make investment recommendations to its clients, however, as a non-discretionary investment adviser International does not make the decision as to whether a security shall be bought or sold by their clients account. That decision (discretion) rests with the client.

In addition, once a client decision is made on a recommendation, International does not execute trades on behalf of their clients. The execution and allocation of trades are completed between the client and their desired dealers, banks or other qualified custodians.

In some cases, should a client decide to execute on a recommendation made for their account by International, as a client service International may create a communication document which is provided to the client, which includes all trade related information and trade instructions. The client then reviews and signs the trade communication (e.g., exercises their investment discretion).

- In some cases, the clients sign the trade communication document which serves as trade instructions and sends that to their respective custody bank, broker, dealer or other qualified custodians for execution.
- In other cases, the clients sign the trade communication document which serves as trade instructions and sends the executed trade instructions to International and International furthers the executed trade instructions to their respective custody bank, broker, dealer or other qualified custodians for execution, at the client's direction.

## **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, International does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. International may provide information and advice to clients regarding the clients' voting of proxies upon request but, clients retain the responsibility for the determination of, and the actual act of voting.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about International's financial condition.

International has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.