

Microsigma Capital Management, LLC
Form ADV Part 2A
Investment Adviser Brochure

April 2012

This brochure provides information about the qualifications and business practices of Microsigma Capital Management, LLC. If you have any questions about the contents of this brochure, please contact Flavio Carrillo, President and Chief Compliance Officer, at 305.461.9100 and/or fcarrillo@microsigmacapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Microsigma Capital Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

905 Brickell Bay Drive, Suite 1425
Miami, FL 33131
305.461.9100
fcarrillo@microsigmacapital.com
www.microsigmacapital.com

Item 2: Summary of Material Changes

Annual Update

This Item of the brochure is updated if material changes have occurred during the course of the Firm's fiscal year; or with the Firm's Annual Updating Amendment (ADV).

Material Changes since the Last Update

Since the last ADV filing, the following material changes have occurred:

- The Firm will be switching from an SEC registered firm to a State registered firm in Florida

Full Brochure Available

We will 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 Flavio Carrillo, President and Chief Compliance Officer, at 305.461.9100 or fcarrillo@microsigmacapital.com. Our Brochure is also available on our web site www.microsigmacapital.com, also free of charge. Additional information about Microsigma is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Microsigma who are registered, or are required to be registered, as investment adviser representatives of Microsigma.

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Item 4: Advisory Business

Firm Description

Microsigma is an investment adviser providing investment advisory services to individuals, trusts, estates, and retirement plans. Microsigma was founded in 2006.

Principal Owners

Microsigma is owned by two individuals, the only members of the management team, Flavio Carrillo and Brice Dupoyet.

Types of Advisory Services

Microsigma offers the following types of advisory services: Financial planning services, Discretionary portfolio management for individuals and/or small business, and Portfolio management for businesses or institutional clients.

Microsigma provides investment advisory services using traditional and quantitative “optimized” portfolios. Optimized portfolios are based upon Modern Portfolio Theory, and consist of a number of proprietary concepts/techniques developed by Microsigma. Optimized portfolios generally consist of investments in mutual funds and ETFs. Traditional portfolios generally consist of investments in equities, fixed income instruments, mutual funds and ETFs.

Microsigma manages portfolios on both a discretionary and a non-discretionary basis.

Investment Advisory Services – Traditional

Microsigma provides investment advisory services based on the individual needs of the client. Through personal discussions, Microsigma assists the client in developing their personal investment policy based upon a client’s goals, objectives, investment time horizon and risk tolerance, as well as their core financial-related values.

Microsigma uses asset allocation, or spreading investments among a number of asset classes and sectors (domestic stocks vs. foreign stocks; large cap stocks vs. small cap stocks; corporate bonds vs. government securities) for most client portfolios.

Microsigma may employ both proprietary and non-proprietary models as well as third-party forecasts to assist it in the construction of such portfolios. A portfolio may be updated/re-balanced on a quarterly, bi-annually or annually basis, depending upon a client’s particular circumstances.

Financial Planning

Financial planning may be offered as a component of the overall investment advisory services, and may include a review a client’s current financial situation. A review may include the following components: cash management, risk management, insurance, education funding, goal setting, retirement planning, estate and charitable giving planning, tax planning, and capital needs planning. Microsigma generally does not charge a separate fee for financial planning services.

Tailored Relationships

For traditional clients, Microsigma tailors investment advisory services to the individual needs of the client. Microsigma clients are allowed to impose restrictions on the investments in their account. Microsigma may accept any reasonable limitation or restriction to discretionary authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to Microsigma in writing.

The goals and objectives for each client are documented in our client relationship management system.

Wrap Fee Programs - Mutual Fund / ETF Investments – Optimized Portfolios

Microsigma participates as a portfolio manager in certain wrap fee programs. Microsigma may insist on a minimum account size for each wrap fee client.

In most wrap fee programs, the wrap sponsor is responsible for establishing the financial circumstances, investment objectives and investment restrictions of each wrap fee client through a client profile, questionnaire and/or investment policy statement (“Profile”) as well as consultations with the sponsor’s personnel. Each client completes a Profile and enters into a wrap fee agreement with the sponsor. The sponsor’s wrap fee agreement establishes the services to be provided to the client by or on behalf of the sponsor. These services may include, among other things: (1) manager selection; (2) execution, generally without a transaction-specific commission or charge; (3) custodial services; (4) periodic monitoring of discretionary managers; and (5) account evaluation. Wrap fee clients may also be subject to additional fees and expenses (e.g., commissions on transactions executed away from the sponsor or the sponsor’s designated broker-dealer, expenses associated with money market funds used as a cash sweep investment vehicle, dealer mark-ups or mark-downs on principal transactions and certain costs or charges imposed by third parties including odd-lot differentials, exchange fees and transfer taxes mandated by law). Generally, wrap fee program sponsors are responsible for providing wrap fee clients both the sponsor’s own wrap fee brochure or Form ADV Part 2A Appendix 1 (“Wrap Brochure”) as well as the brochure for each discretionary manager used by the wrap fee clients.

Wrap fee clients should review the sponsor’s Wrap Brochure for further details about the relevant wrap fee program. Wrap fee clients should consider that, depending on the rate of the wrap fee charged, the amount of account activity, the value of custodial and other services provided and other factors, the wrap fee may exceed the aggregate costs of the services provided if they were to be obtained separately and, with respect to brokerage, transaction-based commissions. As a general matter, Microsigma is not responsible for, and does not attempt to determine, whether, in the first instance, a particular wrap fee program is suitable or advisable for any given wrap fee client. Microsigma may accept or reject a wrap fee client for any reason, including, but not limited to, the wrap fee client’s investment goals and restrictions.

Other than the types of investment made, the only significant difference between how Microsigma manages wrap fee accounts versus other accounts is that wrap fee account

trading is executed through a directed broker. Microsigma receives a portion of the total wrap fee for its portfolio management services.

Client Assets

As of December 31, 2011, Microsigma managed approximately \$13.1 million in assets under management. All assets are currently managed on a discretionary basis.

Item 5: Fees and Compensation

Compensation

Microsigma bases its fees on a percentage of assets under management.

Compensation – Traditional Investment Advisory Services

Investment Advisory fees are payable quarterly and in advance, with the initial invoice calculated based upon the fair market value of the portfolio, including cash, at the time the agreement is executed through the end of the current quarter. Thereafter, fees are calculated based upon the market value of the portfolio as of the last business day of the previous quarter. Investment Advisory fees are generally 0.30 % to 1.25% of assets under management annually, depending upon the nature and complexity of the services.

Compensation – Wrap Fee Program - Mutual Fund / ETF Investments – Optimized Portfolios

Investment Advisory fees paid to Microsigma by wrap fee program sponsors generally range from 0.30% to 0.50% of assets under management annually.

Each wrap fee program sponsor generally charges clients quarterly in advance some form of comprehensive fee based upon a percentage of the value of the client's assets under management in the program. This comprehensive fee may include execution, consulting, custodial and other services performed or arranged by the program sponsor and an amount sufficient to cover the investment advisory services of discretionary managers (such as Microsigma).

Agreement Terms

The specific manner in which fees are charged by Microsigma is established in a client's written agreement with Microsigma. Clients may also elect to be invoiced directly for fees or to authorize Microsigma to directly debit fees from client accounts.

Either Microsigma or the client may terminate the written agreement at any time by notifying the other in writing.

Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

General Information on Compensation

Microsigma's fees, account minimums and payment terms may be negotiable depending on client's unique situation – such as the size of the aggregate related party portfolio size, family holdings, low cost basis securities, fixed income holdings, or certain passively advised investments and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, or the time involved, the degree of responsibility assumed, complexity of the

engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation.

Related accounts may be linked for purposes of fee calculation if all parties agree; meaning certain accounts, approved by Microsigma, may be grouped for fee calculations.

The fee charged is calculated as described above, and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client.

Other Fees

Other than for wrap fee clients as described above and in Item 4, Microsigma's investment advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Microsigma's fee. Microsigma, nor any of its Supervised Persons (employees) shall receive any portion of sales commissions, fees, and costs, or compensation for the sale of securities or other investment products.

Item 12 further describes the factors that Microsigma considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Fees paid to Microsigma for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees will generally include a management fee, other fund expenses and a possible distribution fee. Mutual funds purchased by Microsigma for a client portfolio will be executed at NAV. Accordingly, the client should review the prospectus of a mutual fund regarding fees charged by the funds in conjunction with fees charged by Microsigma to fully understand the total amount of fees to be paid by the client, and to thereby evaluate the advisory services being provided.

Item 6: Performance-Based Fees and Side-by-Side Management

Neither Microsigma nor any of its Supervised Persons (employees) accepts performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Microsigma does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Item 7: Types of Clients

Types of Clients

As described in Item 4, Microsigma generally provides investment advice to individuals, trusts, and estates.

Account Minimums

Microsigma requires a minimum portfolio size of \$100,000 for investment advisory services, although this may be negotiable under certain circumstances. Waivers or exceptions from the minimum portfolio requirement for investment advisory services may be at the exclusive discretion of Microsigma. Microsigma may group certain related client accounts for the purposes of achieving the minimum account size.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Microsigma employs both a fundamental and quantitative security analysis methods. Microsigma utilizes a quantitative approach in security analysis. It utilizes data bases from several sources as input to its own computer models and those from other companies. This quantitative processing produces an output that ranks companies based upon certain fundamental, financial position and valuation measures. Thereafter, Microsigma's own analysts perform fundamental analyses prior to purchasing the securities for client portfolios.

Fundamental Analysis. Microsigma attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is under priced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

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 the stock.

Quantitative Analysis. Microsigma utilizes a quantitative approach in security analysis. It utilizes data bases from several sources as input to its own computer models and those from other companies. This quantitative processing produces an output that ranks companies based upon certain fundamental, financial position and valuation measures. Thereafter, Microsigma's own analysts perform fundamental analyses prior to purchasing the securities for client portfolios.

Investment Strategies

The investment strategy for a specific client is based upon the objectives stated by the client during consultations, either directly or through wrap fee arrangements. The client may change these objectives at any time. Each investment advisory client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **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.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Microsigma reserves the right to advise clients on any other type of investment that it deems appropriate based on the client's stated goals and objectives. Microsigma may also provide advice on any type of investment held in a client's portfolio at the inception of the advisory relationship or on any investment on which the client requests advice.

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 Microsigma or the integrity of Microsigma's management. Microsigma has no information to disclose applicable to this Item.

Item 10: Other Financial Industry Activities and Affiliations

Financial Industry Activities

Neither Microsigma nor any of its management persons have a material relationship or arrangement with any related person or financial industry entities.

Microsigma is not registered as a broker-dealer, and none of its management persons are registered representatives of a broker-dealer.

Neither Microsigma nor any of its management persons is registered as (or associated with) a futures commissions merchant, commodity pool operator, or a commodity trading advisor.

Other Investment Advisors

Microsigma does not recommend or select other investment advisers for its clients.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Microsigma employees must comply with a Code of Ethics and Statement for Insider Trading. The Code describes the Firms' high standard of business conduct, and fiduciary duty to its clients. The Code's key provisions include:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

Flavio Carrillo, President and Chief Compliance Officer reviews all employee trades each quarter. His trades are reviewed by Brice Dupoyet, Senior Portfolio Manager. These reviews ensure that personal trading does not affect the markets, and that clients of Microsigma receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

Microsigma's employees must acknowledge the terms of the Code of Ethics at least annually. Violations to the Code of Ethics may result in termination.

Clients and prospective clients can obtain a copy of Microsigma's Code of Ethics by contacting Flavio Carrillo at 305.461.9100.

Participation or Interest in Client Transactions – Financial Interest and Principal/Agency Cross

Microsigma and its employees do not recommend to clients, or buy or sell for client accounts, securities in which they have a material financial interest.

It is Microsigma's policy that the Firm will not affect any principal or agency cross securities transactions for client accounts. Microsigma will also not cross trades between client accounts.

Participation or Interest in Client Transactions – Personal Securities Transactions

Microsigma and its employees may buy or sell securities identical to those recommended to clients for their personal accounts. The Code of Ethics, described above, is designed to assure that the personal securities transactions, activities and interests of the employees of Microsigma will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities, primarily mutual funds, have been designated as exempt

transactions, based upon a determination that these would materially not interfere with the best interest of Microsigma's clients. In addition, the Code requires pre-clearance of many transactions. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and designed to reasonably prevent conflicts of interest between Microsigma and its clients.

Item 12: Brokerage Practices

Research and Other Soft Dollar Benefits

Microsigma does not receive formal soft dollar benefits other than execution from broker/dealers in connection with client securities transactions. See disclosure below in “Brokerage – Other Economic Benefits”.

Brokerage for Client Referrals

Microsigma does not receive brokerage for client referrals.

Directed Brokerage

If the client requests Microsigma to arrange for the execution of securities brokerage transactions for the client’s account, Microsigma shall direct such transactions through broker-dealers that Microsigma reasonably believes will provide best execution. Microsigma shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.

Microsigma may receive from broker-dealers, at no cost to Microsigma, professional services, computer software and related systems support, enabling Microsigma to better monitor client accounts maintained with the broker-dealer. Microsigma may receive this support without cost because of the portfolio management services rendered to clients that maintain assets with the broker-dealer. The support provided may benefit Microsigma, but not its clients directly. In fulfilling its duties to its clients, Microsigma endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Microsigma’s receipt of economic benefits from a broker-dealer may create a conflict of interest since these benefits may influence Microsigma’s choice of broker-dealer over another broker-dealer that does not furnish similar services, software and systems support.

The commissions paid by Microsigma’s clients shall comply with Microsigma’s duty to obtain “best execution.” However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Microsigma determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while Microsigma will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

Client Directed Brokerage

While not routine, the client may direct Microsigma to use a particular broker-dealer to execute some or all transactions for the client. This brokerage direction must be

requested by the client in writing. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and Microsigma will not seek better execution services or prices from other broker-dealers or be able to “batch” client transactions for execution through other broker-dealers with orders for other accounts managed by Microsigma. By directing brokerage, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Not all advisers require or allow their clients to direct brokerage. Subject to its duty of best execution, Microsigma may decline a client’s request to direct brokerage if, in Microsigma’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Aggregated Trades

At the sole discretion of Microsigma, aggregate purchases or sales of the same security, instrument or obligation may be transacted on the same day for multiple accounts of one or more of Microsigma’s clients. Although such aggregations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they will be effected only when Microsigma believes that to do so will be in the best interest of the affected accounts. When transactions are so aggregated the actual prices applicable to the aggregation transaction will be deemed to have purchased or sold its share of the security, instrument or obligation at the average price. If a partial execution is attained at the end of the trading day, Microsigma will generally allocate shares on a pro rata basis, but may fill small orders entirely before applying the pro rata allocation.

Brokerage Arrangements - Traditional

If a client does not have an existing relationship with a broker/dealer (broker), Microsigma may suggest the use of and request the client to authorize discretion on an account established through a variety of brokerage firms. In these cases, Microsigma negotiates brokerage fees on a case-by-case basis. Any negotiated discount is dependent upon the value of the services provided by the broker and transaction execution. Microsigma does not adhere to any fixed guideline or formula in this regard. Microsigma does not transact brokerage business based solely upon negotiated discount but also any discount negotiated is relative to the value of services provided. Microsigma clients may pay commissions higher than those obtainable from other brokers as a result of this analysis.

Microsigma’s fundamental policy is to seek for its clients what, in its judgment, will be the best overall execution of purchase or sale orders and most favorable net prices in securities transactions consistent with its judgment as to the business qualifications of the various broker firms with which Microsigma may do business. Decisions with respect to the market in which the transaction is to be completed, the form of transaction, and the allocation of orders among brokers are made in accordance with this policy.

With respect to any brokerage commissions charged by executing brokers, for investment advisory accounts, Microsigma will continually review the commission

charges to ensure they are reasonable within the current market place. As permitted by law, the amount of commission paid for by each client for a transaction placed by Microsigma may be higher than the cost if executed by an alternative broker. In such cases, Microsigma will use its best efforts to determine that the higher commissions are reasonable in relation to the value of the brokerage and research services provided by the executing broker viewed in terms of either a particular transaction or Microsigma's overall responsibilities to its other clients.

Brokerage Arrangements – Wrap Fee Programs

As noted above, Microsigma participates in certain wrap fee programs in which the sponsor would generally: (1) recommend Microsigma; (2) pay Microsigma's management fees on behalf of the wrap fee client; (3) execute the wrap fee client's portfolio transactions, generally without commission charges; (4) monitor Microsigma's performance; and, in most cases, (5) act as custodian, or provide some combination of these or other services, all for a single fee paid by the wrap fee client to the sponsor. Many wrap fee programs require that brokerage transactions ordinarily will be effected through the sponsor or its designated broker-dealer (the designated broker).

Clients participating in wrap fee programs should recognize that commissions for transactions executed by the designated broker on behalf of the client's account are not negotiated by Microsigma and Microsigma may not be free to seek best available price and most favorable execution. Even under those wrap fee arrangements in which Microsigma retains some discretion to select other brokers or dealers to execute client transactions if Microsigma believes that "best execution" may be obtained elsewhere, since the client has already paid an asset based charge that includes commissions on transactions executed through the designated broker (and transactions executed away from the designated broker would generally result in the client paying a commission, concession, dealer mark-up or mark-down or other fees associated with the execution or settlement of that transaction, in addition to the wrap fee paid to the program sponsor), Microsigma expects that best execution would generally be through the designated broker.

As with client-directed brokerage accounts, Microsigma is often unable to freely select broker-dealers for account transactions. As a result, Microsigma may be unable to bunch orders for wrap fee clients with orders for those clients who have granted brokerage discretion to Microsigma, which may result in wrap fee clients receiving a price that is less favorable than the price obtained for discretionary brokerage clients. These limits on Microsigma's brokerage discretion may result in higher commissions, greater spreads, or less favorable net prices than might be the case if Microsigma could negotiate commission rates or spreads freely. Moreover, the overall costs associated with obtaining these services through a wrap fee arrangement may exceed those which might be available if the client were to obtain those services separately. Accordingly, wrap fee clients should satisfy themselves that the wrap fee program is a suitable investment, given the client's particular financial needs and circumstances.

Item 13: Review of Accounts

Reviews

Portfolios are generally monitored on a monthly basis, however reviews could also occur at the time of new deposits, material changes in client's financial information, changes in economic cycles, at Microsigma's discretion, or as often as the client may direct. Reviews entail analyzing securities, sensitivity to overall markets, economic changes, investment results and asset allocation, etc., to ensure the investment strategy and expectations are structured to continue to meet clients' objectives.

In most cases, portfolios are updated/rebalanced quarterly. However, dependent upon a client's risk averseness/particular circumstance, updating/rebalancing of the portfolio may occur bi-annually or annually.

Investment advisory accounts are generally reviewed formally each quarter; portfolios are frequently monitored and reviewed informally. Portfolio reviews could also occur at the time of new deposits, during material changes in client conditions, at Microsigma's discretion or according to the clients' direction.

Reviews are performed under the direction of Flavio Carrillo, President. Microsigma encourages frequent client contact and clients are obligated to promptly notify Microsigma of any changes in the client's financial status to ensure that investment strategies continue to meet the client's changing needs.

Review Triggers

Other conditions that may trigger a review are changes in market, political or economic conditions, tax laws, new investment information, and changes in a client's own situation.

Reporting

Each month, the custodian provides clients with an account statement for each client account, which may include individual holdings, cost basis information, deposits and withdrawals, accrued income, dividends, and performance. In addition, the custodian provides clients with trade confirmations for each position bought and sold.

Item 14: Client Referrals and Other Compensation

Other Compensation

Other than described in Item 12, Microsigma does not receive any economic benefits (other than normal compensation and benefits described in Item 12) from any firm or individual for providing investment advice.

Compensation – Client Referrals

Microsigma does not make or accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Item 15: Custody

Custody – Fee Debiting

Microsigma has one form of custody. Clients may authorize Microsigma (in the client agreement) to debit fees directly from the client's account at the broker dealer, bank or other qualified custodian (custodian). Client investment assets will be held with a custodian agreed upon by the client and Microsigma. The custodian is advised in writing of the limitation of Microsigma's access to the account. The custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to Microsigma.

Custody – Account Statements

As described above in Item 13, clients receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Clients are urged to carefully review such statements and compare such official custodial records to the account statements or other reports that Microsigma provides. Microsigma statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16: Investment Discretion

Through the investment advisory agreement, Microsigma may accept limited power of attorney to act on a discretionary basis on behalf of clients. A limited power of attorney allows Microsigma to execute trades on behalf of clients.

When such limited powers exist between the Microsigma and the client, Microsigma has the authority to determine, without obtaining specific client consent, both the amount and type of securities to be bought to satisfy client account objectives. Additionally, Microsigma may accept any reasonable limitation or restriction to such authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to Microsigma in writing.

However, Microsigma consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

Item 17: Voting Client Securities

Microsigma does not have any authority to and does not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies; clients receive proxies directly from either custodians or transfer agents.

If requested, Microsigma may provide advice to clients regarding proxy votes. If any conflict of interest exists, it will be disclosed to the client. Clients may contact Flavio Carrillo at 305.461.9100 for information about proxy voting.

Item 18: Financial Information

Microsigma 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.

Microsigma is not required to provide a balance sheet; Microsigma does not serve as a custodian for client funds or securities, and does not require prepayment of fees of both more than \$500 per client, **and** more than six months in advance.

Item 19: Requirements for State Registered Advisors

Management Background

See response to Form ADV Part 2B - Investment Adviser Brochure Supplement.

Other Business

See response to Item 10 – Other Financial Industry Activities and Affiliations.

Performance-Based Fees

Neither Microsigma nor any supervised persons are compensated by performance-based fees.

Disciplinary Disclosures

Neither Microsigma nor any management persons have been involved in any activities resulting in a disciplinary disclosure.

Issuer of Securities

Neither Microsigma nor any management persons have any relationships or arrangements with any issuer of securities.

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Microsigma Capital Management, LLC
Form ADV Part 2B
Investment Adviser Brochure Supplement

Supervisor: Flavio Carrillo

Supervisor of:
Brice Dupoyet

April 2012

This brochure supplement provides information about the Firm's Supervised Persons that supplements the Microsigma Capital Management, LLC's brochure. You should have received a copy of that brochure. Please contact Flavio Carrillo, President and Chief Compliance Officer if you did not receive Microsigma Capital Management, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about the Firm's Supervised Persons is also available on the SEC's website at www.adviserinfo.sec.gov.

905 Brickell Bay Drive, Suite 1425
Miami, FL 33131
305.461.9100
fcarrillo@microsigmacapital.com
www.microsigmacapital.com

Educational Background and Business Experience

Education and Business Background

Microsigma requires a college degree and/or extensive experience in providing advisory services as a minimum standard for professionals.

Supervised Persons

Flavio Carrillo

Year of Birth: 1971

Education:

MSF, MBA, Florida International University
Master of Music, Bachelor of Music, University Of Miami

Business Background:

Microsigma Capital Management, LLC 2006 – Present
President and Chief Compliance Officer

Legg Mason 2004 – 2006
Registered Representative

Merrill Lynch 2003
Finance Intern – International Private Client – Hedge Funds

Miami-Dade County Public Schools 1995 – 2003
Instructor

Professional Designations & Licenses:

Uniform Investment Adviser Law Examination (Series 65) (NASAA)

Brice Dupoyet

Year of Birth: 1973

Education:

University Of Washington
Ph.D. in Finance
Minor in Economics, Research Methods, and Statistics

California State University
BS Finance and Business Administration
Minor in Mathematics

ECAM (Lyon, France)
Mathématiques Spéciales
Mathématiques Supérieures

Business Background:

Microsigma Capital Management, LLC 2006 – Present
Senior Portfolio Manager

Florida International University 2003 – Present
Associate Professor of Finance
MSF, Courses Taught:
 PhD, Options Seminar, Portfolio Management
 MBA, Capital Budgeting, BBA Risk Management
 MSF, Advanced Risk Management

University Of Washington 1999 – 2003
Instructor
Corporate Finance, Financial Theory and Analysis Managerial Economics

Professional Designations & Licenses:

Member of the American Finance Association
Member of the Financial Management Association
Uniform Investment Adviser Law Examination (Series 65) (NASAA)

Professional Certifications

Microsigma's Supervised Persons do not currently maintain professional designations, however, may have passed certain regulatory examinations, i.e. Series 65, etc.

Disciplinary Information

Neither Microsigma nor any Supervised Persons have been involved in any activities resulting in a disciplinary disclosure.

Other Business Activities

Disclosure on Outside Business Activities is provided in Form ADV Part 2A Item 10 – Other Financial Industry Activities and Affiliations and below. These Outside Business Activities do not create a material conflict of interest with clients.

As disclosed in Form ADV Part 2A Item 6 – Performance-based Fees and Side-by-Side Management, neither Microsigma nor any supervised persons receive commissions, bonuses or other compensation based on the sale of securities or other investment products.

Several of Microsigma's Supervised Persons are actively engaged in other activities. Brice Dupoyet is an Associate Professor of Finance at Florida International University, and devotes approximately 50% of his time to teaching responsibilities.

Additional Compensation

No Supervised Person receives any economic benefit outside of regular salaries or bonuses related to amount of sales, client referrals or new accounts, except as described in Form ADV Part 2A, Item 12.

Supervision

Flavio Carrillo, President and Chief Compliance Officer, supervises all persons named in this Form ADV Part 2 Investment Adviser Brochure Supplement. Flavio Carrillo supervises these persons by holding regular staff, investment and other ad hoc meetings. In addition, Flavio Carrillo regularly reviews client reports, emails, and trading, as well as employees' personal securities transaction and holdings reports. Flavio Carrillo may be reached at 305.461.9100.

Requirements for State Registered Advisers

Neither Microsigma nor any management persons have been involved in any activities resulting in a disciplinary disclosure.

No Supervised Person has been the subject of a bankruptcy petition.