

Brochure/Form ADV Part 2A

EVT Financial Advisors AG

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Item 1. Cover Page

This brochure (Form ADV Part 2A) provides information about the qualifications and business practices of EVT Financial Advisors AG (“EVT”). EVT is a registered investment adviser (“RIA”) with the United States Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

If you have any questions about the contents of this brochure, please contact us by telephone at +41 44 204 20 50 or by e-mail at info@evtfa.com.

The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Additional information about EVT is also available on the SEC’s website at www.adviserinfo.sec.gov. There is no specific level of skill or training required to register as an RIA with the SEC.

Item 2. Material Changes

The last annual update of EVT’s brochure was made in March 2011. EVT’s business activities have not changed materially since the last annual update. Material changes to this brochure include: (i) a more detailed description of the investment risks associated with EVT’s services; (ii) a more detailed description of EVT’s brokerage practices; and (iii) the cessation of EVT Partners AG being a related entity.

ITEM 3. TABLE OF CONTENTS

Item 1. Cover Page	1
Item 2. Material Changes	1
ITEM 3. TABLE OF CONTENTS.....	2
Item 4. Advisory Business.....	4
Firm Description.....	4
Principal Owners	4
Services.....	4
<i>Discretionary Asset Management</i>	4
<i>Nondiscretionary Investment Advisory</i>	4
Wrap Fee Programs.....	5
Assets Under Management.....	5
Item 5. Fees and Compensation.....	5
Item 6. Performance Based Fees and Side by Side Management	6
Side-by-Side Management.....	6
Item 7. Types of Clients	6
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	7
Methods of Analysis	7
Investment Strategies.....	7
Nondiscretionary Management Services	8
Types of Securities.....	9
Material Investment Risks.....	9
Item 9. Disciplinary Information.....	11
Item 10. Other Financial Industry Activities and Affiliations.....	11
Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading.....	12
Code of Ethics.....	12
Participation or Interest in Client Transactions	13
Item 12. Brokerage Practices	13
Brokers Selected by the Custodian Bank	13
Block Trades	13
Decision Making Process; Balancing the Interests of Multiple Client Accounts	14
Use of Soft Dollars	14
Trade Errors	15
Item 13. Review of Accounts.....	15
Item 14. Client Referrals and Other Compensation	15

Item 15. Custody	16
Item 16. Investment Discretion	16
Item 17. Voting Client Securities and Class Actions	16
Proxy Voting	16
Class Actions	17
Item 18. Financial Information	17

Item 4. Advisory Business

Firm Description

EVT Financial Advisors AG (“EVT” or “the Firm” or “we”), a Swiss corporation based in Zurich, Switzerland, provides investment advisory services to clients resident in the United States (“US”). EVT also serves US taxpayers or dual citizens living outside the US. EVT commenced operations in 2011.

Principal Owners

The principal owners of EVT are Peter Brummer, Stefan Hug, Georg Marti and Dino Presta.

Services

EVT provides investment supervisory services primarily for individuals, trusts, foundations and companies. The services provided include the provision of continuous advice concerning investment of assets consistent with the circumstances, preferences and objectives of each client. Investment supervisory services are provided based on the individual needs and investment objectives of each client as communicated to EVT. Specifically, the structure for each client’s investment program is created in the context of certain considerations such as expected returns, risk tolerance, future liquidity requirements and potential tax and legal restrictions.

Each client’s assets are managed in a separately held account (an “Account”). EVT’s client portfolios are diversified across a variety of asset classes, including cash, non-US dollar currencies, defensive, growth, and in certain cases private investments. Accounts may include, without limitation: equity securities, fixed income securities, limited partnerships, mutual funds, exchange traded funds, hedge funds, options, structured product investments and other alternative investments consistent with a client’s suitability, overall investment strategy, and risk tolerance. EVT invests in securities with a global approach emphasizing a European perspective. The securities held within a client’s account generally are invested with a bias in securities of the reference currency selected by the client.

EVT’s advice is limited to the types of securities and transactions as set forth in Item 8.

Discretionary Asset Management

EVT offers discretionary asset management services whereby EVT has the authority to supervise and direct the investments of and for each client’s account without prior consultation with the client. EVT determines the securities that are bought and sold for the client’s Account and the total amount of the purchases and sales. EVT’s authority may be subject to conditions imposed by individual clients as set forth and agreed upon in the investment management agreement entered into between EVT and the client. For example, a client may restrict or prohibit transactions in certain types of securities.

EVT seeks to obtain a rate of return consistent with the client’s objectives, risk tolerance, future liquidity requirements and potential tax and legal restrictions.

Nondiscretionary Investment Advisory

EVT offers investment advice in a nondiscretionary capacity whereby EVT requires the client’s prior consultation and approval before purchasing or selling securities. EVT works with its nondiscretionary clients to define the investment objectives of the client and consults with each client on a regular basis with investment suggestions in line with the defined objectives.

Wrap Fee Programs

EVT does not participate in wrap fee programs.

Assets Under Management

EVT managed \$189 million on a discretionary basis and approximately \$38 million on a non-discretionary basis as of December 31, 2011.

Item 5. Fees and Compensation

EVT fees generally are charged as a percentage of the market value of assets under management ("AUM") or assets under advisement ("AUA"). The asset management fee is charged quarterly in arrears. AUM or AUA is measured with reference to the average of the closing balances for the last business day of each month within the respective calendar quarter. The fee is charged in the reference currency of the client, and the following fee schedule generally is applicable:

Discretionary Management Services	Fee
<i>Investment Strategy</i>	
Fixed Income Strategy	0.9% p.a.
Income Strategy	1.0% p.a.
Yield Strategy	1.1% p.a.
Balanced Strategy	1.2% p.a.
Growth Strategy	1.3% p.a.
Equity Strategy	1.4% p.a.

Nondiscretionary Investment Advice	Fee Negotiable
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Fees charged by EVT do not include custodian fees, fees for trade settlement, brokerage commissions, or any other fee imposed by the custodian bank or the broker. The fees also do not include management or other fees charged by funds or other products that client Accounts may be invested in from time to time.

Compensation is not payable in advance. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any relationship, accrued, unpaid fees will be due and payable.

EVT may waive, discount and/or negotiate fees at its discretion. EVT may also charge additional fees for services outside the scope of the services described above. Any additional fees are disclosed to the client.

EVT generally relies on the custodian bank to value the assets in each client's Account. EVT typically will arrange with the custodian for the direct payment of its fees from the client's Account.

EVT is a fee-only investment adviser and does not receive undisclosed remuneration from third parties in connection with its investment advisory services.

Discounts, finder's fees or any other remuneration received by EVT from third parties will be disclosed to the client and credited against EVT's advisory fees.

Item 6. Performance Based Fees and Side by Side Management

EVT presently does not charge performance-based fees. However, EVT may enter into performance based fee arrangements with qualified clients in the future subject to individualized agreements with each client. To the extent EVT enters into a performance or incentive fee arrangements, it will do so in accordance with Section 205(a)(1) of the Advisers Act and Rule 205-3. EVT potentially can receive higher fees with a performance based compensation structure than from those accounts that pay the asset based fee schedule described above. To minimize this conflict, EVT generally will enter into a performance fee arrangement upon the request of a client or in the case of specific investment performance objectives.

EVT does not manage or advise accounts based on commissions or subscription fees.

Side-by-Side Management

EVT manages many client Accounts and as a result of differences in the fees charged on various account, EVT has conflicts related to such side-by-side management of different accounts. For example, EVT Advisors may manage more than one account according to the same or a substantially similar investment strategy and yet have a different fee schedule applicable to such account as a result of the respective clients' AUM with EVT.

Side-by-side management of different types of accounts may raise conflicts of interest when two or more accounts invest in the same securities or pursue a similar although not identical strategy. These potential conflicts include the favorable or preferential treatment of an account or a group of accounts, conflicts related to the allocation of investment opportunities, particularly with respect to securities that have limited availability, such as initial public offerings, and transactions in one account that closely follow related transactions in a different account. In addition, the results of the investment activities for one account may differ significantly from the results achieved for other accounts, particularly if EVT individually tailors clients' Accounts.

EVT has policies and procedures in place aimed to ensure that all client Accounts are treated fairly and equitably. EVT strives to equitably allocate investment opportunities among relevant Accounts over time. In addition, investment decisions for each Account are made with specific reference to the individual needs and objectives of the Account. Accordingly, EVT may give advice or exercise investment responsibility or take other actions for some clients (including related persons) that may differ from the advice given, or the timing and nature of actions taken, for other clients. Investment results for different Accounts, including Accounts that are generally managed in a similar style, also may differ as a result of these considerations. Some clients may not participate at all in some investments in which other clients participate, or may participate to a different degree or at a different time..

Item 7. Types of Clients

EVT offers investment management services to high net worth individuals and their foundations and trusts, estates, holding companies or other estate planning structures.

Generally, EVT prefers its client relationships to have a minimum of \$500,000 of assets under management. EVT may accept accounts below the minimum requirements, or may retain accounts that have dropped below the minimum requirement due to market fluctuation or investment performance. Accounts that have family, corporate or other relationships may be aggregated for purposes of the minimum account size.

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

Methods of Analysis

EVT utilizes a disciplined investment process supported by quantitative tools for stock selection, portfolio construction, and portfolio risk control, as well as fundamental research for its investment strategies. For fixed income investments, EVT employs a disciplined selection process utilizing fundamental credit research with a macroeconomic overlay and supplemented by third-party independent research providers.

Investment Strategies

EVT offers the following six investment strategies as a foundation of a client tailor-made portfolio. Each client's portfolio will differ based on a client's unique situation and objectives within the parameters of the client selected investment strategy. An optimal asset allocation cannot be guaranteed for portfolio values less than CHF 500'000.

1. **Fixed Income Strategy:** EVT's Fixed Income Strategy uses a disciplined investment process supported by quantitative tools for bond selection, portfolio construction, and portfolio risk control. EVT's Fixed Income Strategy pursues a conservative investment strategy with an approximate range of 50% to 100% investment in fixed income securities broadly diversified across economic sectors, issuers, and industries. This is an actively managed strategy that invests in high quality, high-rated bonds and seeks to maximize total returns while focusing on principal preservation.

2. **Income Strategy:** EVT's Income Strategy uses a disciplined investment process supported by a quality screen, cash flow metrics, and a proprietary quantitative relative valuation model to select securities that seek to deliver target income returns. EVT's Income Strategy pursues a conservative investment strategy with an approximate range of 50% to 95% investment in fixed income securities, as well as an approximate range of 5% to 25% investment in stocks, and the balance in a broad class of investment vehicles, broadly diversified across economic sectors, issuers, and industries.

3. **Yield Strategy:** EVT's Yield Strategy uses a disciplined investment process supported by quantitative tools for stock selection, portfolio construction, and portfolio risk control. In addition, EVT engages in fundamental research as part of the securities selection process. EVT's Yield Strategy pursues a moderate investment strategy with an approximate range of 40% to 90% investment in fixed income securities, as well as an approximate range of 10% to 40% in stocks, and the balance in a broad class of investment vehicles, broadly diversified across economic sectors, issuers, and industries. This is an actively managed blend style utilizing a growth at a reasonable price stock selection and sale methodology.

4. **Balanced Strategy:** EVT's Balanced Strategy uses a disciplined investment process supported by quantitative tools for stock selection, portfolio construction, and portfolio risk control. In addition, EVT engages in fundamental research as part of the securities selection process. EVT's Balanced Strategy pursues a moderate investment strategy with an approximate range of 20% to 60% investment in fixed income securities, an approximate range of 25% to 65% in stocks, and the balance in a broad class of investments, broadly diversified across economic sectors, issuers, and industries. This is an actively managed blend style utilizing a growth at a reasonable price stock selection.

5. **Growth Strategy:** EVT's Growth Strategy uses a disciplined investment process supported by quantitative tools for stock selection, portfolio construction, and portfolio risk control. In addition, EVT engages in fundamental research as part of the securities selection process. EVT's Growth Strategy pursues a growth investment strategy with an approximate range of 45% to 85% investment in stocks, and the balance in a broad class of investment vehicles, broadly diversified across economic sectors, issuers, and industries. This is an actively managed blend style utilizing a growth at a reasonable price stock selection and sale methodology.

6. **Equity Strategy:** EVT's Equity Strategy uses a disciplined investment process supported by quantitative tools for stock selection, portfolio construction, and portfolio risk control. In addition, EVT engages in fundamental research as part of the securities selection process. EVT's Equity Strategy pursues a growth investment strategy with an approximate range of 50% to 100% investment in equities and the balance in a broad class of investment vehicles, broadly diversified across economic sectors, issuers, and industries. This is an actively managed blend style utilizing a growth at a reasonable price stock selection and sale methodology.

Target Investment Ranges:

Investment Strategy	Fixed Income		Income		Yield		Balanced		Growth		Equities	
Equity portion "neutral"	0%		15%		25%		45%		65%		85%	
Investment categories	min.	max.	min.	max.	min.	max.	min.	max.	min.	max.	min.	max.
Liquidity	0%	50%	0%	50%	0%	50%	0%	50%	0%	50%	0%	50%
Fixed income	50%	100%	50%	95%	40%	90%	20%	60%	10%	40%	0%	0%
Equities	0%	0%	5%	25%	10%	40%	25%	65%	45%	85%	50%	100%
Alternative investments	0%	10%	0%	10%	0%	10%	0%	15%	0%	20%	0%	30%
Commodities	0%	5%	0%	10%	0%	10%	0%	10%	0%	15%	0%	15%
Various	0%	0%	0%	10%	0%	10%	0%	10%	0%	15%	0%	20%
Total												
Reference currency min.	50%		50%		50%		50%		50%		50%	

Nondiscretionary Management Services

Due to the nature of nondiscretionary investment advisory services whereby the client retains investment authority, EVT does not offer its investment strategies on a nondiscretionary basis. EVT provides nondiscretionary investment advice tailored to each client. EVT develops an investment strategy and an appropriate asset allocation that is aligned with the client's unique investment objectives and constraints.

Types of Securities

EVT offers investment management and advisory services on the following types of securities and transactions: exchange-listed securities, securities traded over-the-counter, securities issued by non-US issuers, corporate debt securities (and other commercial paper), certificates of deposit, investment company securities such as mutual funds, U.S. or foreign government securities, exchange traded funds, foreign exchange transactions, certain derivatives or structured products, and in certain cases private fund investments. Some of these securities, particularly those issued outside of the US, may not be registered with the SEC. EVT is able to invest clients on a discretionary basis in securities offered outside the US in reliance on Regulation S under the Securities Act of 1933.

Investments in private funds or structured products may be limited to “accredited investors” or “qualified purchasers,” and may require investors to lock-up their assets for a period of time. These investments may have limited or no liquidity, and they may involve different risks than investing in registered funds and other publicly offered and traded securities. In the context of a discretionary mandate, EVT may invest client Accounts into such securities without client consent.

EVT will rely on the accuracy of a client’s representations in making corresponding representations regarding the investment restrictions on behalf of a client’s Account in connection with certain derivative, private fund or other similar investments with qualification restrictions. EVT requires notification by the client if the client’s representations become inaccurate.

In certain cases EVT may provide asset allocation recommendations that may include real estate holdings. These holdings are acquired through real estate investment trusts (REITs). EVT does not invest in real properties.

Material Investment Risks

Clients should bear in mind that investing in securities involves a risk of loss. Clients should be prepared to bear the risk of losing their investment in securities. Past performance is not an indication as to future results.

Among other risks, all investments made by EVT will be subject to market risk, liquidity risk, and interest rate risk, and may be subject to credit and counterparty risk, risk in fluctuations of commodity pricing, risk of loss due to political and economic developments in foreign markets, and risks involving movements in the currency markets.

Market Risk: Market risk refers to the risk of loss arising from general economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws and national and international political circumstances. Each Account is subject to market risk, which will affect volatility of securities prices and liquidity. Such volatility or illiquidity could impair profitability or result in losses.

Risk Related to Equity Investments: 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. The value of specific equity investments generally correlates to the fundamentals of each particular security, but prices of equity investments may raise or fall regardless of fundamentals due to movements in securities markets.

Risks Related to Fixed Income Investments: Investments in fixed income securities (i.e., bonds) represent numerous risks such as credit, interest rate, reinvestment, and prepayment risk, all of

which affect the value of the security and volatility of such value. In general, bonds 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.

Risks Related to Investments in Funds: For purposes of this discussion, the term "Fund" includes, but is not limited to, a U.S. or non-U.S. unit investment trusts, open-end and closed-end mutual funds, hedge funds, private equity funds, venture capital funds, real estate investment trusts, exchange traded funds ("ETFs") and any other private alternative or investment fund. Investments in Funds carry risks associated with the particular Fund. Each Fund and the respective manager will charge their own management and other fees, which will result in a Client bearing an additional level of fees and expenses. U.S. mutual funds generally must distribute all gains to investors, including investors who may not have an economic gain from investing in the fund, which can lead to negative tax effects on investors, particularly non-U.S. persons. Investments in certain non-U.S. funds by U.S. persons result in U.S. tax and reporting obligations and failing to comply with such requirements can result in significant penalties. Funds generally have unique risks of loss as described in their offering documents. Funds can make use of leverage to enhance returns, which raise the risk of default, interest rate risk, and increase volatility. Certain Funds invest in derivatives, which can raise specific counter-party risks. Funds that are not traded can have illiquidity and valuation risks resulting in the inability to redeem or sell the Fund on demand. See the discussion below relating to risks in structured products and derivatives for more information on the risks of investing in Funds.

Risks related to Structured Products & Derivatives: EVT may invest in structured products or derivatives or invest in Funds that hold investments in structured products or derivatives. In addition to the risks that apply to all investments in securities, investing and engaging in derivative instruments and transactions may involve different types of risk and possibly greater levels of risk. These risks include, but are not limited to the following:

Leverage. Certain investment instruments such as derivatives may use leverage to achieve returns. The use of leverage may have the effect of disproportionately increasing an account's exposure to the market for the securities or other assets underlying the derivative position and the sensitivity of an account's portfolio to changes in market prices for those assets. Leverage will tend to magnify both the positive impact of successful investment decisions and the negative impact of unsuccessful investment decisions by EVT on an account's performance.

Counterparty Credit Risk: When a derivative is purchased, a client's Account will be subject to the ability and willingness of the other party to the contract (a "counterparty") to perform its obligations under the contract. Although exchange-traded futures and options contracts are generally backed by a guarantee from a clearing corporation, an Account could lose the benefit of a contract in the unlikely event that the clearing corporation becomes insolvent. A counterparty's obligations under a forward contract, over-the-counter option, swap or other over-the-counter derivative contract are not so guaranteed. If the counterparty to an over-the-counter contract fails to perform its obligations, an account may lose the benefit of the contract and may have difficulty reclaiming any collateral that an account may have deposited with the counterparty.

Lack of Correlation. The market value of a derivative position may correlate imperfectly with the market price of the asset underlying the derivative position. To the extent that a derivative position is being used to hedge against changes in the value of assets in an account, a lack of price correlation between the derivative position and the hedged asset may result in an account's assets being incompletely hedged or not completely offsetting price changes in the derivative position.

Illiquidity. Over-the-counter derivative contracts are usually subject to restrictions on transfer, and there is generally no liquid market for these contracts. Although it is often possible to negotiate the termination of an over-the-counter contract or enter into an offsetting contract, a counterparty may be unable or unwilling to terminate a contract with an account, especially during times of market instability or disruption. The markets for many exchange traded futures, options and other instruments are quite liquid during normal market conditions, but this liquidity may disappear during times of market instability or disruption.

Less Accurate Valuation. The absence of a liquid market for over-the-counter derivatives increases the likelihood that EVT will not be able to correctly value these interests.

Risks Relating to Foreign Currency Exposure: Accounts managed by EVT are routinely subject to foreign exchange risks and bear a potential risk of loss arising from fluctuations in value between the U.S. Dollar and such other currencies. EVT may invest in securities and other investments that are denominated in currencies other than US Dollars. Some client's Accounts may hold significant foreign positions. Accordingly, the value of such assets may be affected favorably or unfavorably by fluctuations in currency rates. Often clients are seeking this foreign currency exposure. Thus, EVT generally does not seek to hedge the foreign currency exposure. Even to the extent that EVT does seek to hedge the foreign currency exposure, such hedging strategies may not necessarily be available or effective.

Non-U.S. Investments: Investments in non-U.S. securities expose the client's portfolio to risks in addition to those risks associated with investments in U.S. securities. Such additional risks include, among other things, trade balances and imbalances, economic policies of various foreign governments, exchange control regulations, withholding taxes, potential for nationalization of assets or industries, and the political instability of foreign nations.

Item 9. Disciplinary Information

EVT has not been involved in any legal or disciplinary events.

Item 10. Other Financial Industry Activities and Affiliations

EVT, and its management personnel are neither registered, nor have an application pending to register as, broker-dealers, registered representatives of a broker-dealer, future commissions merchants, commodity pool operators, commodity trading advisors, or associated persons of the foregoing entities.

EVT is a member of the VQF Swiss Financial Services Standards Association, which is monitored by the Swiss Financial Market Supervisory Authority (FINMA) as a professional association empowered to issue rules of conduct in the context of asset management.

Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading

EVT seeks to minimize conflicts of interest and resolve those conflicts of interests in favor of its clients to the extent it determines reasonable and necessary in accordance with its Code of Ethics.

Code of Ethics

EVT treats all clients equitably and has a duty to act in its clients' best interests. Except as otherwise described in this brochure, the interests of clients will be placed above EVT's interests in case of any conflict. EVT has adopted a Code of Ethics (the "Code") and attendant policies and procedures governing personal securities transactions by EVT and its personnel. The Code also provides guidance and instruction to EVT and its personnel on their ethical obligations in fulfilling its duties of loyalty, fairness and good faith towards the clients.

The overriding principle of EVT's Code of Ethics is that all employees of EVT owe a fiduciary duty to clients for whom EVT acts as investment adviser or sub-adviser. Accordingly, employees of EVT are responsible for conducting personal trading activities in a manner that does not interfere with a client's portfolio transactions or take improper advantage of a relationship with any client.

The Code contains provisions designed to try to: (i) prevent, among other things, improper trading by EVT's employees; (ii) identify conflicts of interest; and (iii) provide a means to resolve any actual or potential conflicts of interest in favor of the clients. The Code attempts to accomplish these objectives by, among other things: (i) requiring pre-clearance of specific trades, which includes documenting any exceptions to such pre-clearance requirement; (ii) restricting trading in certain securities that may cause a conflict of interest, as well as (iii) periodic reporting regarding transactions and holdings of employees.

The Code contains sections including, but not limited to, the following key areas: (i) restrictions on personal investing activities; (ii) gifts and business entertainment; and (iii) outside business activities.

The Code also provides for EVT's execution of supervisory policies and procedures, and the review and enforcement processes of such policies and procedures. EVT has designated a Chief Compliance Officer responsible for maintaining, reviewing and enforcing EVT's Code of Ethics and corresponding policies and procedures.

The fundamental position of EVT Advisors is that, in effecting personal securities transactions, personnel of EVT Advisors must place at all times the interests of clients ahead of their own pecuniary interests. All personal securities transactions by these persons must be conducted in accordance with the Code of Ethics and in a manner to avoid any actual or potential conflict of interest or any abuse of any person's position of trust and responsibility. Further, these persons should not take inappropriate advantage of their positions with or on behalf of a client.

If a person subject to the Code of Ethics fails to comply with the Code, such person may be subject to sanctions, which may include warnings, disgorgement of profits, restrictions on future personal trading, and, in the most severe cases, the possibility of dismissal.

EVT will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

Although EVT does not hold proprietary positions, EVT's related persons may own, buy, or sell for themselves the same securities that they or EVT have recommended to clients. Thus, from time to time, a client Account may purchase or hold a security in which a related person of EVT has financial interest or an ownership position, or a related person may purchase a security that is held in a client Account.

Also from time to time, EVT employees or related persons may invest alongside the firm's clients, both to align the interest of firm and personnel and firm clients and as an expression of confidence in our portfolio management efforts. In order to ensure that EVT personnel never trade ahead of their clients, the firm requires all trading in specific positions for officer and employee accounts to come after the analogous trades are executed for client accounts. Firm personnel communicate freely and frequently among themselves in order to ensure the application of these fundamental restrictions.

Item 12. Brokerage Practices

EVT's clients open Accounts at custodial banks in Switzerland. Each client may select the bank for his or her Account. EVT does not select custodial banks on a client's behalf.

Brokers Selected by the Custodian Bank

Brokerage for transactions involving assets held at Swiss banks must be made through the broker-dealer specified by the custodian bank. In most cases, Swiss custodian banks act as a broker-dealer and/or maintain relationships with designated broker-dealers (including potentially an affiliate of the custodian bank). If required by the custodian bank, EVT effectuates security transactions through the custodian bank or the broker or dealer designated by the custodian bank selected by the client. In such cases, EVT cannot guarantee that the client will receive best execution or the best commissions because EVT does not control these factors. Clients also should be aware of the potential that the broker-dealer used for transactions may not be a registered broker-dealer under the Exchange Act.

Clients should be aware of the following limitations with respect to assets held in custody at Swiss banks:

- EVT will not be able to negotiate commission rates with the designated broker.
- Clients may pay higher commission rates,, may receive less favorable trade executions, and may not obtain best execution on their transactions.
- Clients may not always obtain the volume discounts or more favorable terms that might be available from aggregated transactions.

Block Trades

EVT generally will combine orders into block trades when purchasing the same security for multiple client Accounts. Such aggregated orders ("block trades") will be pre-allocated among the participating client Accounts. Participating Accounts in a block trade placed with the same broker or the same custodian bank generally will receive an average price and pay a pro rata share of any transaction costs. Partial fills of transactions will be allocated on a pro rata share basis.

Because EVT's clients maintain Accounts at different custodian banks and because many of these custodian banks mandate the use of a specific broker (see description above), often EVT places more than one block trade for the same security with more than one broker. EVT transmits such block

trades to more than one broker in a random pattern (*i.e.*, EVT does not favor one custodian bank or broker over another with respect to the order in which block trade orders are sent). The average price realized on a securities order placed with different brokers will vary broker to broker, and clients generally will receive different average prices and transaction costs for the same security order depending upon the custodian bank and the respective broker used in the block trade. Also note, since most Swiss custodian banks warehouse securities orders until filled, there may be delays in settlement between client Accounts depending on the practice of the respective custodian bank and/or broker.

Decision Making Process; Balancing the Interests of Multiple Client Accounts

In making the decision as to which securities are to be purchased or sold and the amounts thereof, EVT is guided by the general guidelines set up at the inception of the adviser-client relationship in cooperation with the client and a periodic review of the asset allocation. These general guidelines cover such matters as the relative proportion of debt and equity securities to be held in the portfolio, the degree of risk that the client wishes to assume and the types and amounts of securities to be held in the portfolio. EVT's authority may be further limited by specific instructions from the client, which may restrict or prohibit transactions in certain securities.

EVT may manage numerous accounts with similar or identical investment objectives or may manage accounts with different objectives that may trade in the same securities. Despite such similarities, portfolio decisions relating to client investments and the performance resulting from such decisions may differ from client to client. EVT will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible clients, particularly if different clients have selected different investment profiles, have materially different amounts of capital under management with EVT or different amounts of investable cash available. In certain instances such as purchases of less liquid publicly traded securities or oversubscribed public offerings, it may not be possible or feasible to allocate a transaction pro rata to all eligible clients, especially if clients have materially different sized portfolios. Therefore, not all clients will necessarily participate in the same investment opportunities or participate on the same basis.

Use of Soft Dollars

EVT may maintain soft dollar arrangements, and to the extent it does it will only do so in accordance with the conditions of the safe harbor provided by Section 28(e) of the Exchange Act. Section 28(e) is a "safe harbor" that permits an investment manager to use brokerage commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process.

Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data, certain valuation and pricing data and economic data); and advice from brokers on order execution.

Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (*i.e.*, connectivity services between an investment adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that

provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations..

Trade Errors

Although EVT's goal is to execute trades seamlessly in the manner intended by the client and consistent with its investment decisions, EVT recognizes that errors can occur for a variety of reasons. EVT's policy in dealing with such errors is to:

- Identify any errors in a timely manner.
- Correct all errors so that any affected account is placed in the same position it would have been in had the error not occurred.
- Incur all costs associated with correcting an error (or to pass the costs on to the broker, depending on which party is at fault). Costs from corrective actions are not to be passed on to a client.
- Evaluate how the error occurred and assess if any changes in any processes are warranted or if any continuing education is required.

The consequences and the required corrective measures may be different depending upon the nature of the error or the account affected.

Item 13. Review of Accounts

All client accounts are reviewed by the Chief Compliance Officer on a continuous basis in an effort to ensure that they remain aligned with the client's investment plan and are positioned appropriately given current market conditions as part of EVT's general investment process. The stocks owned by EVT's clients are reviewed whenever earnings or significant news are announced. Significant changes in stock prices will also trigger a review. Various other circumstances also result in review of accounts. When necessary, accounts may be rebalanced based on the EVT's tactical asset allocations, while striving to minimize potential tax implications. EVT relies on the banks to provide written reports, these are generally issued quarterly.

Item 14. Client Referrals and Other Compensation

EVT is a fee-only adviser. EVT's policy is not to accept compensation from third parties relating to the investment advice it gives to its clients. To the extent EVT receives a referral fee for an investment it recommends, it will reduce the fees owed by the respective client to EVT or will credit the respective client's account for the applicable amount. For these purposes, referral fees include marketing fees, discounts, finder's fees, service fees, including shareholder service fees, referral fees, 12b-1 fees or bonus commissions paid by mutual funds, privately offered funds, insurance products, variable annuities or other investment products paid to EVT for recommending an investment, for investing client funds in such product or for marketing assistance or the performance of certain administrative tasks associated with making an investment.

EVT may pay referral fees to individuals or entities for services provided in identifying and introducing prospective advisory clients. To the extent that EVT ever does pay a referral fee, any such arrangement will comply with the conditions and requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940.

EVT's employees or associated persons may be invited to attend seminars and meetings with the costs associated with such meetings borne by a sponsoring brokerage firm or other party extending the invitation.

Item 15. Custody

EVT typically is given authority to have its fees directly deducted from a client's account. Consequently, EVT is deemed to have custody of such funds. EVT has established procedures to ensure the client's account is held at a qualified custodian in a separate account for each client. The client establishes the bank account directly and therefore is aware of the qualified custodian's name, address and the manner in which investments are maintained. Account statements are prepared by the custodian bank and delivered directly to the client or the client's representative at least quarterly. Generally, these statements include a listing of all valuations and all transactions occurring during the period. Clients should carefully review these statements and when they have questions contact either EVT or the custodian bank. The custodian also provides the client with all required year-end tax information.

EVT also may provide performance information to advisory clients about the client's performance, which may also include a reference to a relevant market index or benchmark. EVT may provide reports analyzing the sources of each account's performance, including customary performance attribution and risk measurement statistics such as standard deviations, Sharpe ratios, deviations from benchmark returns, and investments that had the largest positive and negative impacts on performance.

Item 16. Investment Discretion

EVT accepts discretionary authority to manage client accounts as described above. Clients rarely restrict the authority by which EVT may act; however, each client has the opportunity to communicate any form of limitation in writing. In the context of a discretionary mandate, EVT makes investment decisions without consulting the client by utilizing its limited power of attorney for the management of the account maintained at the custodian bank selected by the client. In the context of a nondiscretionary mandate, EVT's investment discretion is limited to an advisory role and EVT does not implement investment decisions without the approval of the client. EVT never has discretionary authority to select a qualified custodian for a client's account.

Item 17. Voting Client Securities and Class Actions

Proxy Voting

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Investment Advisers Act, EVT has adopted and implemented written policies and procedures governing the voting of client securities. EVT does not have the authority to vote client proxies, as disclosed in EVT's standard asset

management agreement. If EVT inadvertently receives any proxy materials on behalf of a client, EVT will promptly forward such materials to the client.

EVT will, until guidance to the contrary is provided by the SEC and/or such other relevant legal and/or regulatory bodies, employ proxy voting guidelines and proxy voting procedures, outlined in EVT's Compliance Manual. Clients may request a copy of these policies and procedures.

Class Actions

EVT does not direct client participation in class action lawsuits. EVT will determine whether to return any documentation inadvertently received regarding clients' participation in class actions to the sender, or to forward such information to the appropriate clients.

EVT will not advise or act on behalf of clients in any legal proceeding, including bankruptcies or securities shareholder class action litigation involving securities held or previously held in client accounts. Accordingly, EVT is not responsible for responding to, or forwarding to clients, any class action settlement offers relating to securities currently or previously held in the client account.

Item 18. Financial Information

EVT has not been the subject of a bankruptcy petition at any time. As of the date of this brochure we do not believe it is reasonably likely that any future liability will impact our ability to meet our contractual commitments to our clients.