



Brochure/Form ADV Part 2A

Marcuard Family Office Ltd.

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Introduction

Marcuard Family Office Ltd. (hereinafter "Marcuard", "we" or "our") is registered with the U.S. Securities and Exchange Commission ("SEC"). This Form ADV Part 2A/Brochure ("Brochure") provides information about the qualifications and business practices of Marcuard. If you have any questions about the contents of this Brochure, please contact Dr. Peter Stocker, our Chief Compliance Officer at p.stocker@marcuardsfamilyoffice.com. The information in this Brochure has not been approved or verified by the SEC or any state or foreign securities authority. Registration does not imply that Marcuard, or its associates, have attained a certain level of skill or training.

This Brochure provides information for our U.S. clients. In general, the provisions of the U.S. Investment Advisers Act of 1940 ("Advisers Act") and this Brochure do not apply to our non-U.S. clients.

Any reference to private funds within this brochure is for informational purposes only, and is intended to address legally required disclosures about our business practices and conflicts associated with managing private funds. Only qualified investors are able to invest in these funds, and they should read the fund's prospectus or other offering material prior to doing so. No reference within this brochure should be viewed as an offer to sell or an offer to buy an interest in private funds.

We encourage you to visit the SEC's Investment Adviser Public Disclosure (IAPD) for more information about Marcuard. The IAPD web address is www.adviserinfo.sec.gov.

Item 2 – Material Changes

On 1 July 2013, Martin Sutter became Marcuard's Chief Executive Officer. Ulrich Burkhard remains the Chairman of Marcuard's Board of Directors. Also, Mr Sutter purchased additional voting securities of Marcuard and thereby became owner of 7.61 % of the outstanding voting securities of Marcuard. As of 1 August 2013 Marcuard implemented new Valuation Policies and Procedures.

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Item 4 – Advisory Business

A. Description of the Advisory Firm

Marcuard is a corporation organized under Swiss law in 1998. We are a member of the Swiss Association of Asset Managers. Our controlling shareholder is Ulrich Burkhard. More information about us is available in our Form ADV Part 1.

B. Types of Advisory Services

We provide investment advisory, financial planning and family office services to our clients and act as sponsor and investment adviser to three private funds, identified below.

Investment Advisory Services

We offer investment advisory services on a discretionary or non-discretionary basis. We mainly or exclusively invest or recommend investing client assets with affiliated and independent asset managers that we select (“Asset Managers”) who advise/manage investment funds, hedge funds, funds of hedge funds, private equity funds and who provide investment advice concerning other financial assets.

The two main pillars of our investment advisory services are our *Cockpit* and *Invest* services. *Cockpit* affords clients consolidation, risk analysis and negotiation of fees (we do not negotiate brokerage fees). *Invest* provides clients access to investment committee, asset- and risk-management, quarterly family meetings and interpretation of reports as well as investing in line with international tax, legal and regulatory requirements. We do not provide tax or legal advice.

For discretionary account clients, we exercise our investment discretion based on the investment objectives of the client, such as stated risk tolerance, time horizon, strategy and, if applicable, restrictions agreed upon specific to the account as established at the inception of the adviser-client relationship (and as amended in writing from time to time) in the investment management agreement or family office service agreement.

For non-discretionary clients, our investment advice is based on the same investment criteria.

Financial Planning Services

We provide investment advice according to a comprehensive financial plan taking into account the client's financial situation and tax, insurance, legal, real estate and investment considerations. The plan may also address issues such as business succession, executive compensation, estate planning, education planning and retirement planning. Depending on the client's needs, we will meet with financial planning clients at least annually to review the client's situation and update the financial plan. We may meet with clients on a more frequent basis if the situation warrants. We do not provide legal or tax advice. Clients are required to inform us promptly if their financial situation changes or if the information we have on file regarding them has changed materially.

Family Office Services

We offer family office services to high-net-worth families. These services include investment advisory and financial planning services. Further elements of such services generally consist of trust planning, legacy planning, philanthropic planning, entity structuring, reporting and consolidation, as well as property management. The service package may cover family governance services for certain families.

Sponsor and Investment Adviser to Private Funds

We are the sponsor of three private funds ("Marcuard Funds"):

- Simplex Fund, based in Lichtenstein ("Simplex Fund");
- MFO Diversified Fund Ltd, based in the Cayman Islands ("MFO Diversified"); and
- MFO IDF I (BVI) LP, based in the British Virgin Islands ("MFO IDF").

Our wholly-owned subsidiary, MFO Capital Ltd., BVI serves as investment manager of record to all three Marcuard Funds. However, based on advisory agreements with MFO Capital Ltd., we serve as the sub-adviser for and exercise discretion over the portfolios of the Simplex Fund and MFO IDF. A wholly-owned subsidiary of MFO Capital Ltd., MFO IDF I GP (BVI) Ltd. acts as the general partner to MFO IDF. A non-affiliated US-based investment adviser, Lighthouse Investment Partners, LLC, is the investment adviser to MFO Diversified.

Further information about MFO IDF I (BVI) LP as well as MFO Capital Ltd. and MFO IDF I GP (BVI) Ltd. may be found in our Form ADV Part 1A.

C. Tailored advisory services

We define with our clients their particular investment objective which includes an individual benchmark and risk-return profile. Some clients may also impose restrictions on - or objectives for - investing in certain securities or types of securities. All of this is recorded in the client's mandate, which may also include annexes and/or addendums ("Mandate").

D. Wrap Fee Programs

We do not participate in any wrap fee programs.

E. Amounts Under Management

As of June 30, 2013, we managed the following assets:

Discretionary Assets	USD 2,637,805,973
Non-discretionary Assets	USD 527,040,753
Total	USD 3,164,846,727

Item 5 – Fees and Compensation**A. Fee Schedule**

We charge a management fee for investment advisory and financial planning services on the basis of the amount of the assets placed under our management.

Standard Fees

Account Size	Annual Fee Rate
Up to USD 10 million	0.8-1.2%
USD 10 million to 25 million	0.7-1.1%
USD 25 million to 50 million	0.5-1.0%
Over USD 50 million	Negotiable, based on services required and amount of assets under management

Family office services fees are also based on the complexity involved in managing the family's wealth. Certain services may be provided on a project basis. These projects will be billed at an hourly or a project rate. Hourly fees range from USD 250 to USD 600 per hour. Additionally, we may impose a minimum annual fee, which will be disclosed to and agreed in advance by the client, if applicable, and recorded in the Mandate. All fees are subject to negotiation.

B. Valuations

Marcuard has revised its Valuation Policies and Procedures. Its objectives are to: prescribe the methodology and the manner in which Assets should be valued; ensure that Assets are valued accurately and consistently as per approved methodology; set a process to prevent incorrect valuation or, if required, detect and correct errors in valuations; and validate the fee calculation process and ensure accurate fees, through monitoring and testing.

An external contractor, Marcuard is working with, provides pricing feeds and calculations to determine the value of Assets and consolidating client portfolios, and calculate portfolio performance to Marcuard. The methodology used, together with a list of all pricing feeds and protocols, is formalized in the Policies and Procedures. All records generated by the external contractor are provided to and are retained by Marcuard. Marcuard has reserved the right to audit the work of the external contractor or have the external contractor provide further information when and as required.

It may be the case that a client holds an asset for which the external contractor cannot value, the pricing/valuation is based on information Marcuard receives from its clients or parties related to its clients (e.g. tax advisors, real estate agents etc.). Such assets may include real estate, art or other types of objects. Any client-based valuation methodologies are recorded in the Mandate or any other client approved file. The valuation methodologies are reviewed regularly.

All valuations are provided to Marcuard's Valuation Committee. The Valuation Committee will meet on a quarterly basis ahead of the calculation of Marcuard's management fee. The Valuation Committee may change a valuation or permit some other method of valuation to be used if, taking into account the currency, applicable rate of interest, maturity, marketability or such other considerations as it deems relevant, it can demonstrate, using such data, that such adjustment is required to reflect more fairly the value thereof. All decisions with regard to valuations, whether or not in conformity with the Valuation Policies and Procedures, shall be documented. MFO Compliance is present as a non-voting observer at such meetings to help ensure that any decision taken by the Valuation Committee is documented and in line with the Valuation Policies and Procedures as well as applicable regulatory requirements. The Valuation Committee shall document the circumstances requiring a special valuation and the reasoning supporting the valuation assigned by the Valuation Committee.

Marcuard calculates fees quarterly. For certain Assets, such as hedge funds and private equity funds, Marcuard may receive an estimated net assets value ("Estimated NAV") at the time by which it calculates the fee owing to the client. Marcuard will obtain such Estimated NAV's from the fund administrator or from published data concerning the fund in question. Marcuard will then use the Estimated NAV to calculate Marcuard's fee owed by the client and prepare and issue an invoice. Marcuard has determined that, once the final NAV is available, no recalculations of the NAV and/or the fee will occur.

Marcuard's Valuation Policies and Procedures are available to clients upon request.

C. Fees

Fees are calculated pursuant to the Mandate or family office service agreement with clients. Family Office service fees are calculated on a quarterly basis and payable in advance by the middle of each quarter. Marcuard's accounting department is responsible for the fee calculations, which are based upon the Valuation Policies and Procedures noted above. The invoices are reviewed by the Family Office service team and the respective relationship manager. Compliance then executes a sample check of all invoices.

Marcuard's accounting department is responsible for invoicing, collection of fees and the calculation of any retrocessions due to clients. This presents conflicts of interest. To address this, Marcuard conducts an independent review of this process every 12-18 months with the results used to validate the controls that are used and make changes as required.

Marcuard will issue an invoice to the client, and the client is solely responsible for examining and verifying such invoice. Hourly or project fees will be invoiced to clients by sending out a separate invoice on a monthly or quarterly basis, as agreed with the client. Clients authorize their custodian, acting as the agent of the client, to debit from the client's account the fees due and owing to Marcuard.

C. Other Types of Fees or Expenses

To the extent a client's assets are invested with Asset Managers, the client may be subject to other fees and charges as a fund shareholder in addition to the fees paid to us. Those may include fees and charges imposed on shareholders of the fund or imposed on the fund and borne indirectly by shareholders, as disclosed in the fund offering documents.

In addition, clients may incur further fees and charges imposed by custodians, brokers and other third parties, such as custodial fees, commissions, sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, bid-ask spreads, and other fees and taxes on brokerage accounts and investment transactions.

Item 12 describes the factors that we consider in selecting brokers for client transactions and in determining the reasonableness of their compensation (e.g. commissions).

D. Advance Payment of Fees

The manner in which fees are charged is established in a client's Mandate and/or family office service agreement. We will generally bill and charge our fees in advance on a quarterly basis by the middle of each quarter, which is the fee for the current quarter. Mandates and family office service agreements may be terminated at will by the client without penalty. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee for the period that the account was active. We will

refund any amount of unearned prepaid fee to the client immediately following the termination of the contract.

E. Compensation for the Sale of Investment Products

When a client's assets are invested in a Marcuard Fund, we do not charge "double fees", i.e. fund fees and management fees, on those assets. To avoid double feeing, Marcuard either charges the fee of the respective Marcuard Fund according to that Marcuard Fund's offering documents and the Marcuard fund is exempted from the overall fee base for Marcuard's management fee; or, the Marcuard Fund remains in the management fee base but the fee of the Marcuard Fund is rebated back.

As mentioned in Item 5C., to the extent a client's assets are invested with unaffiliated Asset Managers, the client may be subject to other fees and charges as a fund shareholder in addition to the fees paid to us. Upon request, those charges will be notified to the client at or prior to the time that an investment is made. We generally do not receive any portion of these fees and charges: these are the property of the client. In cases where such fees are to be rebated, these will be forwarded directly to the client. In exceptional cases and with full disclosure and written agreement with the client in the Mandate, we may collect such rebates as part of our agreed compensation. In such a case, the advisory fee charged to the client would be reduced accordingly. This will only be done in such a manner so as not to result in our having custody for purposes of the Advisers Act.

Item 6 – Performance-Based Fees; Side-By-Side Management

We do not enter into performance or incentive fee arrangements with our investment advisory or family office clients.

Item 7 – Types of Clients

We provide our services to high-net worth individuals, trusts, estates, charitable organizations, corporations and other business entities related to high-net worth individuals with the following minimum initial account size:

- USD 20 million for an Investment Advisory/Financial Planning account; and
- USD 50 million for a Family Office account.

The foregoing minimums may be reduced by us in our exclusive discretion.

As discussed above, we also sponsor and serve in various capacities to the Marcuard Funds. The minimum for investing in the Marcuard Funds is specified in the offering documents.

Item 8 – Methods of Analysis, Investment Strategies, Risk of Loss

Investing in securities is intended for investors who are willing to bear the economic risk of the investment, including a potential loss of the total investment.

Our analysis of securities and markets may include charting, fundamental and technical analysis. We also use proprietary methodologies. In selecting Asset Managers and in ongoing due diligence and monitoring of Asset Managers, we use quantitative and qualitative analysis, an interview process, on-site visits and conference calls, as well as information supplied by industry professionals.

We and our selected Asset Managers use various investment strategies and techniques across a wide range of financial instruments. The financial instruments include, but are not limited to, corporate and government fixed income securities, corporate equities, mutual funds, hedge funds, funds of hedge funds, futures contracts, forward contracts, options contracts, physical commodities, distressed securities, swaps and other derivative products, as well as other capital market instruments. Investment techniques include, but are not limited to, short sales, leverage, uncovered option transactions, currency hedging and limited diversification, which practices can, in certain circumstances, increase the risk of an adverse impact on invested assets.

Lack of Control. Marcuard will not control the individual investments made by the unaffiliated Asset Managers, their choice of investments and other investment decisions, which will be totally within the control of the Asset Managers. There can be no assurance that such investments will be successful or will not result in substantial losses.

Derivatives. We or the Asset Managers may invest on behalf of our clients in both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences. These instruments can be volatile and expose clients and investors to a high risk of loss. These instruments often carry a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in further loss exceeding any margin deposited. Over-the-counter derivatives also involve counterparty solvency risk and the risk that a buyer may not be able to be found, given the lack of an exchange market.

Short Selling. We or the Asset Managers are permitted to sell securities short, in the expectation of covering the short sale with securities acquired in the open market at a price lower than that received from the short sale (we employ short-selling as a hedging strategy only, rather than as an investment strategy). The possible losses from short selling are theoretically unlimited. In addition, short selling can cause downward price pressure on a stock and could therefore pose a conflict of interest if some client accounts were selling short the same security other client accounts hold long (and vice versa).

Use of Leverage. We or the Asset Managers may also use leverage, such as investing monies borrowed on margin or taking positions in certain types of derivatives that involve leverage. We may also invest client accounts in certain ETFs (exchange-traded funds) that provide leveraged exposure to their underlying indexes. Use of leverage can cause portfolio values to rise and fall faster than if leverage were not used. Use of leverage also involves the risk that securities in an account will have to be liquidated in order to meet margin calls or maintain sufficient asset coverage, at a time when it may not be desirable or advantageous to sell.

Options Trading. The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation either to purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Hedge Fund Investments. As discussed, we may invest client assets in hedge funds. Hedge funds are speculative investment vehicles which are not subject to the same or same degree of regulation as mutual funds and whose returns may be volatile. There are additional risks associated with investing

in hedge funds which may include that: a substantial portion of the fund's trades may take place on foreign exchanges that may not offer the same regulatory protection as US exchanges; there is no secondary market for the interests in hedge funds; and, that hedge funds may be subject to substantial fees. It may be impossible to transfer or liquidate an investment in a hedge fund when desired and thereby avoid significant losses.

Private Equity Fund Investments. We may invest client assets in private equity ("PE") funds. Like hedge funds, PE funds are speculative investments and not subject to the same degree of regulation as mutual funds. PE funds generally impose significant "lock-up" periods — that is, periods when investor money cannot be withdrawn — are not traded on secondary markets and often invest in start-up enterprises or newer industries which may be subject to a higher risk of business failure than traditional businesses. PE funds may impose substantial fees.

Counterparty risk. Counterparty risk is that risk that one party to a transaction does not satisfy its obligation to the other party. This could affect our clients if a party fails to settle a transaction, or a custodian goes insolvent or other events occur that jeopardize an entity with whom we engage in business.

Concentrated or Non-Diversified Positions. For discretionary accounts, we define and apply strict concentration and diversification rules. Concentration and non-diversification pose increased risk of loss to the extent the account is more susceptible to adverse events affecting the industry or issuer in which the account is focused. Based on client instructions, we may — in exceptional cases — deviate from agreed concentration and diversification rules.

While we believe that we moderate the risk of loss of capital to some degree through a diversification of investment strategies and through selection of multiple Asset Managers, we cannot guarantee or represent that no loss of capital would occur or that clients' investment objectives will be met.

Item 9 – Disciplinary Information

As an SEC registered investment adviser, we are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. No events have transpired applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

We and our related persons MFO Capital Ltd., BVI and MFO IDF I GP (BVI) Ltd. act in various roles, including sponsor, investment adviser, investment manager and general partner to the Marcuard Funds (see Item 4.B. above for more information about the Marcuard Funds). If, in our view, the Marcuard Funds provide a more efficient and effective way to diversify a client's assets, it may be appropriate for us to invest a portion of a client's account assets into one of the Marcuard Funds. See Item 11.B. below on how we address this conflict of interest.

Neither we nor any of our related persons receive additional advisory compensation with respect to a client's assets that are invested in the Marcuard Funds. Rather, those assets are subject only to the Marcuard Funds' fees and charges applicable to all shareholders of the Marcuard Funds, as set forth in the offering documents and hence fully disclosed to the client. As a result, we will indirectly receive advisory fees paid by those clients as shareholders of the Marcuard Funds which may be more or less than the client account management fees otherwise applicable to the account. See Item 11.B. below on how we address these conflicts of interest.

In addition, we select unaffiliated Asset Managers for our clients. These Asset Managers are not related to Marcuard or its affiliates and we receive no direct or indirect compensation from these Asset Managers. Our client's investment management/advisory or family office service agreements provide that they are entitled to such compensation should it occur. In exceptional cases and under full disclosure to and agreement with the client, we may collect retrocessions as part of our agreed compensation. In such a case, the advisory fee charged to the client would be reduced accordingly. See Item 5D.

Ulrich Burkhard, our Chairman, is a non-executive board member of Mymetics Corporation, a publicly-traded company in the United States.

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

A. Code of Ethics / Personal Trading

Our employees, officers and executive directors ("Staff") are subject to our Code of Ethics ("Code") and Staff personal account trading may only be undertaken in compliance with the Code. Staff members' personal trades must be pre-cleared by Compliance, as discussed below.

The Code sets standards of conduct for Staff and imposes specific requirements aimed at preventing, detecting and correcting fraudulent activity or activities that would pose a conflict of interest in connection with personal securities transactions. The Code prohibits Staff from engaging in conduct commonly known as "insider trading". The Code generally requires pre-clearance by Staff in "reportable securities," which include any security defined in Section 202(a)(18) of the Advisers Act.

The Code also restricts personal securities transactions by various means, such as imposing a requirement that personal investments do not interfere with our duties owed to our clients. The Code further establishes a prohibition on short selling, margin trading and over the counter transactions. These restrictions apply to all Staff.

In order to monitor compliance by our Staff with the Code and applicable law, each Staff member is required to provide us with duplicate copies of trade confirmations which are reviewed by one of our officers. Staff are also required to provide periodic personal trading reports. In addition, each Staff member is required to sign a statement to acknowledge that they understand what insider trading is, and that they will not be party to it and will adhere to the Code.

Individuals associated with us may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is our express policy that no person employed by us shall place his or her own interests ahead of those of an advisory client or make personal investment decisions based on the investment decisions made for our clients.

This is a summary description of our Code. The Code will be made available to clients upon request.

B. Related Person / Conflicts of Interest

Related Persons Invested in Same Securities as Clients

We and our Staff and members of the families of such persons may from time to time buy or own securities which are purchased or sold by or for our clients. We believe that, in the case of any such securities, the aggregate holdings of our Staff will generally constitute a small proportion relative to the total outstanding amount of the class of securities involved. Moreover, as indicated above, we

have in effect a Code intended to regulate, among other activities, securities transactions in such a manner that our primary obligation of loyalty to our clients is preserved.

Clients Invested in the Marcuard Funds

Assets in our client's accounts may be invested in a Marcuard Fund, for which we serve as sponsor and may serve as investment adviser, MFO IDF I GP (BVI) Ltd. and MFO Capital Ltd., our affiliates, act as general partner and investment manager, and in which we have an interest and various Marcuard Staff members are invested personally. This poses a conflict of interest for us and our Staff to the extent it creates a financial incentive to increase such Marcuard Fund's assets and thereby increase the sub-advisory or other fees payable by the Marcuard Fund to us. However, we are constrained by fiduciary principles to act in our clients' best interests when managing accounts and will invest clients in the Marcuard Funds only when it is suitable to do so. All such transactions must be effected solely in accordance with provisions of our Code and are monitored on a regular basis. We also monitor activity in our clients' accounts in an effort to ensure that transactions are appropriate. As discussed, we do not charge an additional management fee for a client's assets invested in a Marcuard Fund.

Equitable Treatment of Accounts

Since we manage multiple client accounts, we may be inclined to favor certain accounts over others, particularly if the accounts pay different fees to us or belong to specific family members. We maintain an allocation policy to ensure that client accounts within a particular investment strategy are treated fairly and equitably (i.e. no client account is inappropriately favored or disfavored over another).

Cross Trades

Cross trades may create a conflict of interest because we have a duty to obtain the most favorable price for both the selling client and the purchasing client. We do not effect cross trades.

Outside Business Activities

Since we permit Staff members to engage in outside business activities, there is the potential that such activities will conflict with the employee's or officer's duties to us and our clients. We require all employees and officers to disclose any outside employment to the Chief Compliance Officer, who will identify any potential conflicts. In the event that a resolution to the conflict cannot be reached, the employee or officer may be asked to terminate either his/her outside employment or his position with us.

As noted above, Mr Burkhard, our Chairman, is a non-executive board member of the Mymetics Corporation. In light of this, we will employ controls appropriate to address any conflicts of interest that may arise, such as recusal from meetings, monitoring communications, not exercising discretion to permit our clients to buy or sell the securities of such company, imposing information barriers to prevent any information that Mr Burkhard may have on this company from passing to Staff, or controls reasonably designed to prevent the misuse of any information that Mr Burkhard may have regarding this company or that raise other conflicts of interest.

Gifts and Entertainment

Our Staff members may periodically give or receive gifts or entertainment from third parties, including clients. Any gift or entertainment given or received is recorded and may be declined if the giving or receiving is improper or raises a conflict of interest.

Reporting Illegal or Unethical Behavior

Unethical or illegal conduct on the part of Staff members can damage our ability to meet our fiduciary duties to clients. Our Compliance Manual, and in particular our Code, states our policies on various business conduct issues. Staff members are required to report to management any actual or suspected illegal or unethical conduct on the part of other Staff members of which they become aware or any situations in which they are concerned about the “best course of action.” We view seriously any violation of our Compliance Manual. Disciplinary sanctions may be imposed on any Staff member committing a violation of our Compliance Manual.

Managing Conflicts of Interest, Generally

Notwithstanding these various conflicts of interest, as fiduciary we act in our clients’ best interests when managing accounts and advising clients and will recommend that clients invest in various investments or programs only when it is suitable for them to do so. We monitor activity in our clients’ accounts in an effort to ensure that investments are appropriate.

Item 12 – Brokerage Practices**A. Brokerage Partners and Best Execution**

We provide assistance to our clients in the custodian selection process and custody fee negotiation process. While we do not receive any economic benefit in exchange for our recommendations, certain custodians make available research and brokerage services to us or subsidize some of our office infrastructure (see below under B. Soft Dollars).

When we are retained to manage client accounts on a discretionary basis, we place orders by entering them into an electronic order system operated by the entities where our clients hold their assets or, when permissible, directly with the trading divisions of those firms. (The practice of placing orders directly would change or cease if doing so creates or imposes any regulatory, tax, legal or compliance risk to our clients.) The trading divisions are segregated from all other areas of such entities by information barriers imposed by relevant requirements. We require the entities with which we place orders to give us best execution.

We do not accept client orders to buy or sell securities.

Best execution is the process of seeking the best price available to our clients and does not necessarily mean achieving the lowest possible price or transaction cost. In determining whether a broker is providing reasonable service to our clients, we will consider a variety of factors, such as: price, costs, speed, prompt execution, likelihood of execution, likelihood of settlement, size of the trade, nature of the trade, and any other factor relevant to the execution of the order.

In the case of client assets invested with the Asset Managers, we have no control over their selection of brokers.

B. Soft Dollars

While we do not have in place any formal “soft dollar” arrangement with any broker, nor do we utilize client commissions to obtain products, services or other economic benefits, consistent with practice in Switzerland certain custodians do provide us with research products and services or subsidize certain components of our office infrastructure. Among these items provided or paid for by a custodian is a terminal and data access to Bloomberg L.P.’s financial market services, and a printer.

These items are generally available to independent Swiss investment advisers like Marcuard at no charge to them and are not contingent upon committing to such custodians any specific amount of business, assets in custody or trading activity. Many of these items are used to service all or a substantial number of our clients' accounts, including accounts not maintained at the custodians who provide the products and services.

To mitigate the conflict of interest presented by this arrangement, we attempt to provide clients with objective data upon which to base their decision concerning custodial selection, if such information is sought by a client.

More information about specific research items we may receive is in Item 14, below.

C. Aggregate Trade Allocation and Trade Errors

We will execute transactions on an aggregated basis only when we believe this will allow us to obtain best execution and negotiate more favorable commission rates or other transaction costs than what might have otherwise been paid had such orders been placed independently. When aggregating orders, the clients involved will be treated in a fair and equitable manner. No account will be favored or disfavored over any other client account. The allocation of an aggregated order to a client account is generally determined and recorded before the order is placed and the order is filled on the basis of this pre-trade allocation.

Consistent with our fiduciary duties, our policy is to exercise care in making and implementing investment decisions for our client accounts. We have a trading errors policy. To the extent trading errors occur, we seek to ensure that clients' best interests are served. Our policy is to resolve all trade errors within a reasonable time while ensuring the client is not disadvantaged, consistent with the orderly disposition (and/or acquisition) of the securities in question. Actual losses suffered by a client account as a result of a trade error caused by us will be reimbursed by us; however, we do not compensate our clients for lost investment opportunities (i.e., a failure to take advantage of investment or market improvements).

Item 13 – Review of Accounts

A. Frequency of Reviews

Our Portfolio Managers and Relationship Managers review each client account on a monthly basis to determine, among other things, whether each account is appropriately positioned and whether investment objectives and restrictions are being followed. Accounts are also reviewed monthly for compliance matters.

We monitor the portfolio of the Marcuard Funds for which we have advisory responsibilities to determine whether assets are being invested in accordance with applicable objectives and restrictions. Reviews are undertaken via monthly reports on the status of the portfolios.

B. Written Reports

Our clients receive investment reports on a monthly basis. The clients typically also receive a monthly and annual profit and loss analysis, a monthly detailed quantitative analysis of specific portfolio components and annual consolidated financial statements. In most cases, annual reports will include information necessary for the completion of the client's U.S. tax returns.

We encourage clients to review account statements provided by the custodian against the detailed reports we provide.

Item 14 – Client Referrals and Other Compensation

While we may receive research and brokerage services from custodians that we recommend to our clients, this economic benefit is not given in exchange for our recommendations.

Such research products and services may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors, market, financial and economic studies and forecasts; statistical and pricing information and services; discussions with research personnel along with hardware, software, databases and other technical and telecommunication services and equipment used in the investment management process; computers or terminals, computer databases and quotation equipment, in each case, to access research or which provide research directly, research concerning market, economic and financial data; data on pricing and availability of securities; financial publications; electronic market quotations; performance measurement services.

We enter into contractual agreements with third-parties worldwide to enlarge our business activities. In accordance with these agreements, we pay remuneration in percentage of the management fees earned on a specific client account in exchange for introducing this client. All solicitation arrangements relating to U.S. persons will be in compliance with Rule 206(4)-3 of the Advisers Act.

Item 15 – Custody

We do not have custody of client assets at any time. Custody of client assets is with the custodian selected by the client. Clients will receive account statements from the custodian quarterly and should carefully review those statements.

Item 16 – Investment Discretion

We generally obtain full discretionary authority over a client's account through investment management or family office service agreements to determine securities or investment opportunities to be bought or sold and the timing and quantity of such investments and to determine and act upon other relevant factors. Clients must generally also complete an authorization form and/or Power of Attorney document provided by their custodian bank before we may provide discretionary advisory services. Our investment discretion may be limited by investment objectives of the client, such as stated risk tolerance, reference currency, time horizon, strategy, and if applicable, restrictions specific to the account as established at the inception of the adviser-client relationship (as amended from time to time) in the investment management/advisory agreement and/or family office service agreement.

Item 17 – Voting Client Securities

We do not act as custodian or as nominee/trustee for our clients. Clients will receive proxy notices from the client account's custodian. In exceptional cases, clients may instruct us to exercise voting

rights on the basis of a written instruction. A proxy voting policy ensures that proxies are voted in the best interest of our clients which is available upon request.

Item 18 – Financial Information

We do not have any adverse financial information to disclose, nor are we required to provide a balance sheet under this Item. The management of Marcuard believes that we are financially sound.