

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

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This brochure provides you with information about the qualifications, business practices, and nature of advisory services of United Global Advisors, LLC, all of which should be considered before becoming an advisory client of our Firm. Please contact Doran Adhami, Managing Member, if you have any questions about this narrative brochure.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

We are registered as an Investment Adviser. Nonetheless, registration with any state or federal regulatory division does not imply any level of skill or training. Additional information about our Firm is available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number known as a CRD number. Our Firm's CRD number is 167809.

September 5, 2013

## **Item 2      Material Changes**

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The SEC adopted “Amendments to Form ADV” in July 2010. This Part 2A of Form ADV (“Firm Brochure”), dated **September 5, 2013**, is our other than annual amendment disclosure document prepared in accordance to the SEC’s requirements and rules. As you will see, this document is in narrative format. Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Firm Brochures within 120 days of the close of our business’ fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

### **Material Changes since the Last Update**

This section of our Brochure will reflect the update of any material changes that occur subsequent to the delivery of our Firm Brochure, which was our other than annual brochure dated June 28, 2013 when our Firm made the following material changes to report:

- Our Firm had a change in ownership as reported in Item 4.
- Our Firm is providing investment advice on a non-discretionary basis as disclosed in Item 4 and Item 16.
- Our Firm is no longer affiliated with any other related or unrelated third party.

We have made no other material changes to our Firm’s management, operations, or structure.

### **Full Brochure Available**

Pursuant to new SEC rules, you will receive a summary of any material changes to the Brochure, and any subsequent versions of the Brochure within 120 days of the close of our business fiscal year, which is December 31<sup>st</sup>. We will provide you with a new version of the Brochure as necessary based on changes or new information, at any time, without charge. Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at **424-278-1798** or by email at: [info@ugadvisors.com](mailto:info@ugadvisors.com).

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## **Item 4      Advisory Business**

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### **A. Firm Description**

United Global Advisors, LLC, (“UGA”, or “the Firm”) is an investment management firm that is registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment adviser. The Firm is organized as a California limited liability corporation that was founded in 2013. UGA’s current business activities consist primarily of the management of securities portfolios focused on capital appreciation.

**Principal Owners:** Doran Adhami and Itay Vinik are the Managing Members and principal owners of the Firm. Each hold 50% ownership interests in the Firm. Both also serve as the Firm’s Investment Adviser Representatives.

### **B. Types of Advisory Services**

UGA provides non-discretionary portfolio management services, whereby the Firm will make specific investment recommendations to a client tailored to meet the needs and investment objectives of that specific client; but shall not initiate any orders to purchase or sell any securities (or specific securities) without the client’s approval.

As noted, UGA provides non-discretionary portfolio management services to individuals based on the specific needs and objectives of such persons. Accounts will be managed on a non-discretionary basis and the Firm will consult with the client to receive authorization (oral or written) before executing a transaction. Clients have an unrestricted right to decline or implement any advice issued on a non-discretionary basis. Clients engaging the Firm on a non-discretionary investment advisory basis must be willing to accept that UGA cannot effect any account transaction(s) from the client. Thus, in the event of a market condition during which the client is unavailable, UGA will be unable to effect any account transactions without first obtaining the client’s consent.

### **C. Tailored Relationships**

The asset management services offered by UGA are based on the individual needs of our clients and the suitability of products and services. We make a thorough assessment of our client’s goals, objectives, investment horizon, and risk tolerance.

### **D. Wrap Fee Programs**

Wrap Fee Programs are arrangements between broker-dealers, investment advisers, banks and other financial institutions and affiliated and unaffiliated investment advisers through which the Clients of such firms receive discretionary investment advisory, execution, clearing and custodial services in a “bundled” form. In exchange for these “bundled” services, the Clients pay an all-inclusive (or “wrap”) fee determined as a percentage of the assets held in the wrap account. UGA does not participate in and is not a sponsor of any wrap fee program(s).

### **E. Assets under Management**

When calculating regulatory assets under management, an Investment Adviser must include the value of any client account over which it exercises continuous and regular supervisory or management services. As of the date of this Brochure, UGA does not

have assets under management because the Firm currently has no clients and therefore no assets. However, it is expected that UGA will have assets in the future. UGA will amend its Form ADV and Part 2A of the Form ADV as required to disclose its assets under management.

## **Item 5      Fees and Compensation**

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### **A. Advisory Fees and Billing**

UGA will assess a management fee (the “Management Fee”) to provide non-discretionary portfolio management services. The management fee is an annual fee based on a percentage of the client’s assets under management.

Clients will pay UGA a quarterly management fee of 0.25% (1.0% per annum), payable in advance on the first business day of each calendar quarter based on the beginning net asset value of the Account for such quarter. Net Asset Value includes all cash and all other assets of the account (valued at liquidation value) under management after taking into account all brokerage commissions and fees, and other expenses of the Account.

Any fees due to UGA shall be deducted by UGA directly from the client account, and will be paid to UGA from the amount on deposit in the client account. The client will provide written authorization permitting the fees to be paid directly from the account.

***All fees charged by UGA are reasonable in light of UGA’s experience and expertise and the level of sophistication of investment clients. Lower fees for comparable services may be available from other sources (CCR 260.238(j)).***

### **B. Other Fees & Expenses**

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including but not limited to, any transaction charges imposed by the broker dealer with which we effect transactions for our client accounts. Please see Item 12 for information about *Brokerage Practices*.

There may be additional fees or charges that result from the maintenance of or trading within your account. These fees, if applicable, would be imposed as is customary by third parties in connection with investments made through the client’s account, including but not limited to, no-load mutual fund 12(b)-1 distribution fees, fees assessed for frequent or excessive trading of mutual fund shares, certain deferred sales charges on previously purchased C Class shares of a mutual fund, and IRA and Qualified Retirement Plan administrative fees. All fees paid to the Firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders (our clients). Those fees are described in detail in each mutual fund’s prospectus. These fees will generally include a management fee, other funds expenses, and a possible distribution fee. If the mutual fund also imposes sales charges on certain share classes, a client may pay an initial or deferred sales charge. Accordingly, clients should review both the fees charged by the mutual funds and the advisory fees charged by UGA to appreciate fully the total amount of fees to be paid by the client.

There may be additional fees or charges that result from the maintenance of or trading within your account. These are fees are imposed by third parties in connection with investments made through the your account, including but not limited to, no-load mutual fund 12(b)-1 distribution fees, certain deferred sales charges on previously purchased mutual funds, and IRA and Qualified Retirement Plan fees.

#### **D. Refund Policy**

Clients may request to terminate their advisory contract with UGA, in whole or in part, by providing advanced written notice. Either party may terminate the investment advisory contract by providing thirty (30) days written notice to UGA. Upon termination, the management fee for any partial calendar quarter shall be prorated and any overpayment shall be refunded to the Client.

#### **E. Other Compensation**

UGA does not receive any compensation other than the management fees for providing investment advisory services to its clients.

### **Item 6      Performance-Based Fees and Side-by-Side      Management**

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Performance-Based Fees ("Performance Fees") are based on a share of the capital gains or capital appreciation of the assets of a client. Fees based on performance means UGA participates directly in the account's results. The Performance Fee may, indirectly, create an incentive for the Firm to make investments on behalf of the client that are riskier or more speculative than would be the case in the absence of such a fee.

Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

UGA does not assess Performance-Based Fees and does not conduct side-by-side management of dissimilar advisory accounts.

**Any Performance Allocation will be charged in accordance with the provisions of CCR Section 260.234.**

### **Item 7      Types of Clients**

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UGA provides non-discretionary management services to different types of clients. We generally provide advice to individuals seeking diversification of assets through specialized allocation strategies.

UGA does not require the client to have a minimum investment amount to open and/or to maintain an account with it.

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

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### **A. Methods of Analysis**

UGA employs fundamental analysis, technical analysis and cyclical analysis as our primary methods for analyzing securities to achieve the investment objectives and goals of our client portfolios.

**Fundamental analysis** involves analyzing its financial statements and health, its management and competitive advantages, and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives: to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions; and to calculate its credit risk. 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 stock.

**Technical analysis** is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall. The technical indicators that the fund may consider include, but are not limited to, price, volume, momentum, relative strength, sector/group strength and moving averages. Technical analysis does not consider the underlying financial condition of a company. This presents a risk that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Cyclical analysis** of economic cycles is used to determine how these cycles affect the returns of an investment, an asset class or an individual company's profits. Cyclical risks exist because the broad economy has been shown to move in cycles, from periods of peak performance followed by a downturn, then a trough of low activity. Between the peak and trough of a business or other economic cycle, investments may fall in value to reflect the uncertainty surrounding future returns as compared with the recent past.

### **B. Investment Strategies**

UGA may utilize the following investment strategies when implementing investment advice given to clients:

**Long Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period, generally greater than one year. Long-term purchases may be affected by unforeseen long-term changes in the company in which you are invested or in the overall market.

**Short Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. We may use this strategy

occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

**Trading** - securities purchased with the expectation that they will be sold within a very short period of time, generally within 30 days. Trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. Frequent trading strategies may be used occasionally in an effort to capture significant market gains and avoid significant losses during a volatile market. However, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

**Balance Strategy** - A portfolio allocation and management method aimed at balancing risk and return. Such portfolios are generally divided equally between equities and fixed-income securities. Although the balanced investment strategy aims to balance risk and return, it does carry more risk than those strategies aiming at capital preservation or current income. In other words, the balanced investment strategy is a somewhat aggressive strategy, and is suitable for those investors who have some tolerance for risk with a longer time horizon (generally over five years).

**Long Term Buy and Hold** - Buy and hold is a long term investment strategy based on the view that in the long run financial markets give a good rate of return despite periods of volatility or decline. This viewpoint also holds that short term market timing (the concept that one can enter the market on the lows and sell on the highs) does not work for small accounts or inexperienced investors, so it is better to simply buy and hold. The risk involved with this type of strategy is that, if you need your money in the short term, you may not be able to wait for the market to recover from a downturn.

### **C. Material Risks of Methods of Analysis and Investment Strategies**

*Clients need to be aware that investing in securities involves risk of loss that clients need to be prepared to bear.*

Every method of analysis has its own inherent risks. To perform an accurate market analysis UGA must have access to current/new market information. UGA has no control over the dissemination rate of market information; therefore, unbeknownst to UGA, certain analyses may be compiled with outdated market information, severely limiting the value of UGA's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by UGA) will be profitable or equal any specific performance level(s). UGA does not represent, warrant, or imply that the services or methods of analysis employed by UGA can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.



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 will be worth more today than a dollar next year, 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.

Notwithstanding the method of analysis or investment strategy employed by our Firm, the assets within your portfolio are subject to risk of devaluation or loss. UGA wants you to be aware that there are many different events that can affect the value of your assets or portfolio including, but not limited to, changes in financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, and natural disasters.

Although UGA's methods of analysis and investment strategies do not present any significant or unusual risks, all investment programs have certain risks that are borne

by the investor. Our investment approach constantly keeps the risk of loss in mind. We want you to understand that there are inherent risks associated with investing and depending on the risk occurrence; you may suffer LOSS OF ALL OR PART OF YOUR PRINCIPAL INVESTMENT.

#### **D. Recommendation of Specific Types of Securities**

UGA does not primarily recommend a particular type of security. Investments may include, but are not limited to, exchange listed securities, fixed-income securities, over-the-counter securities, foreign securities, options, derivatives, money market funds or other pooled investment vehicles.

### **Item 9      Disciplinary Information**

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The Firm is required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. UGA and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

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#### **A. Financial Industry Activities**

UGA is not a registered broker-dealer and does not have an application pending to register as a broker-dealer. Furthermore, none of UGA's management or supervised persons is as a registered representative or has an application pending to register as representatives of a broker-dealer.

#### **B. Financial Industry Affiliations**

UGA is not a registered, Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor and does not have an application pending to register as such. Furthermore, none of UGA's management or supervised persons is registered as, or has applications pending to register as an associated person of the foregoing entities.

#### **C. Other Material Relationships**

UGA does not have any arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships other than those already disclosed herein.

#### **D. Other Investment Advisers**

UGA does not have any arrangements that are material to its advisory or its clients with other investment advisers.

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

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### **A. Code of Ethics**

All employees of UGA must act in an ethical and professional manner. In view of the foregoing and applicable provisions of relevant law, UGA has determined to adopt a Code of Ethics to specify and prohibit certain types of transactions deemed to create conflicts of interest (or at least the potential for or the appearance of such a conflict), and to establish reporting requirements and enforcement procedures relating to personal trading by UGA personnel. UGA's Code of Ethics, which specifically deals with professional standards, insider trading, personal trading, gifts and entertainment, and fiduciary duties, establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

### **B. Participation of Interest in Client Transactions**

UGA does not recommend or effect transactions in securities which any related person may have material financial interest.

### **C. Proprietary and Simultaneous Trading**

We at UGA often buy and sell securities for our own accounts that we have also recommend to clients. UGA will not intentionally favor a proprietary account over a Client account, nor will it knowingly permit a proprietary account to trade ahead of a Client account unless the client's investment strategy or objective is deemed to be a "buy and hold". That is, the client's objective may be not to raise too much cash at any given time or the client may prefer not to have their securities offered into the market. UGA will always document any transactions that could be construed as conflicts of interest. To mitigate or remedy any conflicts of interest or perceived conflicts of interest, we will monitor our proprietary and personal trading reports for adherence to our Code of Ethics.

## **Item 12 Brokerage Practices**

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### **A. Selection and Recommendation**

UGA will select and recommend a broker-dealer or custodian that has the most favorable commission rate available for all of its clients. UGA intends to maintain brokerage and custodial arrangements with Charles Schwab & Co., a FINRA registered broker-dealer and member of the SIPC. UGA is independently owned and operated and is not affiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when UGA or the client instructs them to.

UGA will always seek "best execution" for each trade, which is a combination of price, quality of execution and other factors. In making brokerage determinations, UGA will consider a number of judgmental factors, including, without limitation: 1) clearance and settlement capabilities; 2) quality of confirmations and account statements; 3) the

ability of the broker to settle the trade promptly and accurately; 4) the financial standing, reputation and integrity of the broker-dealer; 5) the broker-dealer's access to markets, research capabilities, market knowledge, and any "value added" characteristics; 6) UGA's past experience with the broker-dealer; 7) UGA's past experience with similar trades; and 8) any other factors. Recognizing the value of these factors, clients may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction. UGA recognizes that "best execution" is not synonymous with lowest brokerage commission.

UGA has determined that having Schwab executive trades is consistent with our duty to seek "best execution" of client trades.

## **B. Soft Dollar Benefits**

UGA does not currently generate "soft dollars." It and when it does, UGA intends to comply with the "safe harbor" of Section 28(e) of the Securities Exchange Act of 1934, as amended.

Under "soft dollar" arrangements, one or more of the brokerage firms would provide or pay the costs of certain services, equipment, or other items. These soft dollar benefits are attributed to UGA by reducing its expenses; however, the amount of the fee paid to UGA by the client will not be reduced. Nonetheless, UGA believes that to the extent it makes allocations to brokerage business with soft dollar arrangements, this would generally enhance the ability to obtain research, optimal execution and other benefits on behalf of our clients.

UGA receives software services and technology for market research and analysis from Schwab. These services are likely, but not necessarily, within the purview of "soft dollars" benefits pursuant to the "safe harbor" of Section 28(e) of the Securities Exchange Act of 1934, as amended. These services are for the benefit of UGA in consideration of the Firm's allocation of brokerage transactions made on behalf of clients (on both an agency and net basis) and may not directly benefit client accounts. The receipt of soft dollar benefits may influence UGA decisions regarding recommending that clients' establish accounts at Schwab, based on UGA's interest in receiving Schwab's services that benefit the Firm's business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of client transactions. This is a potential conflict of interest. UGA believes, however, that its selection of Schwab as custodian and broker is in the best interests of its clients. UGA believes that its clients do not pay more for investment transactions effected and assets maintained at Schwab as a result of these arrangements. UGA's selection is primarily supported by the scope, quality, and price of Schwab's services (see Item 12A "*Selection and Recommendation*") and not Schwab's services that benefit only UGA.

UGA normally receives ancillary benefits, including: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving adviser participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client

accounts; access to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors. The foregoing benefits are received solely through participation in Schwab, and do not necessarily depend upon the proportion of transactions directed to Schwab.

### **C. Brokerage for Client Referrals**

When recommending broker-dealers to clients, the Firm does not consider whether it receives client referrals from a broker-dealer or third party.

### **D. Directed Brokerage**

UGA recommends that clients utilize Charles Schwab & Co. This arrangement is designed to maximize efficiency and to be cost effective to our clients. By requiring clients to use our specific custodian, we seek to achieve most favorable execution of client transactions. UGA reserves the right to change the recommended custodian at any time it deems said custodian is not the custodian most favorable to its clients.

UGA may permit clients to direct the use a particular brokerage firm. If a client directs brokerage, UGA cannot negotiate commission rates, UGA will however use its best efforts to negotiate the most favorable rates based on the size and the anticipated trading activity in the account. As a result of such directed brokerage, clients may pay higher brokerage commissions than might otherwise be paid if UGA were granted discretion to select a broker to handle the account. In addition, clients might lose the benefits of potentially better executions available through bunched transactions of the recommended broker-dealer custodian.

### **B. Order Aggregation**

UGA may, at times, aggregate sale and purchase orders of securities for advisory accounts with similar orders in order to obtain the best pricing averages and minimize trading costs. This practice is reasonably likely to result in administrative convenience or an overall economic benefit to the client. Clients also benefit relatively with better purchase or sale execution prices, lower commission expenses or beneficial timing of transactions or a combination of these and other factors. Our policies and procedures mandate aggregating multiple orders. Aggregate orders will be allocated to client accounts in a systematic non-preferential manner. UGA may aggregate or “bunch” transactions for a client’s account with those of other clients in an effort to obtain the best execution under the circumstances.

## **Item 13      Review of Accounts**

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### **A. Periodic Reviews**

UGA reviews its client’s account activity on a continual basis to determine their conformity with investment objectives and guidelines. For further due diligence, the portfolios will be assessed no less than quarterly for factors such as risk evaluation, tax

treatment, performance relative to the indices and liquidity needs of each client. The reviews are conducted by Doran Adhami and Itay Vinik, the Firm's Managing Members and Investment Adviser Representatives.

#### **B. Intermittent Review Factors**

Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or by changes in your financial status (such as retirement, termination of employment, relocation, or inheritance).

Clients are advised to notify UGA promptly if there are any materials changes in their financial situation, investment objectives, or in the event they wish to place restrictions placed on their account.

#### **C. Client Reports**

UGA does not issue separate client reports. Clients will receive reports at least quarterly from the account custodian detailing the account performance and holdings.

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

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#### **A. Economic Benefits for Client Referrals**

As discussed under *Soft Dollar Benefits* arrangements in Item 12B above, UGA may receive an indirect economic benefit from Schwab. UGA, without cost (and/or at a discount), may receive support services and/or products from Schwab. UGA's clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by UGA to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

The Firm does not receive and does not have any other arrangement with third parties to receive economic benefits (such as sales awards or other prizes) for providing investment advice or other advisory services to its clients.

#### **B. Referral Compensation to unaffiliated Third Parties**

The Firm does not compensate directly or indirectly, any person, other than its representatives, for client referrals. Prior to compensating any individual for referrals, UGA will ensure that these individual solicitors are appropriately registered as investment adviser representatives if registration is required by the jurisdictions in which solicitation activities are conducted.

### **Item 15 Custody**

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#### **A. Custodian of Assets**

Custody means holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them.

Physical custody of our client's funds and securities are held by an UGA preferred qualified custodian. UGA does not take physical custody of client assets and/or securities under any circumstances. Client funds and securities are held by the qualified custodian.

As noted, the physical assets are held in an account with the Firm's qualified custodian. While UGA does not have physical custody of client funds or securities, payments of fees may be paid by the custodian from the custodial brokerage account that holds client funds pursuant to the client's account application. In certain jurisdictions, the ability of a Firm to withdraw its advisory fees from the client's account may be deemed custody.

As such, UGA has indirect custody of funds or securities by virtue the ability to have its advisory fees debited by the custodian on a quarterly basis. Prior to permitting direct debit of fees, the client provides written authorization permitting fees be made direct from the custodian. As part of the billing process, the custodian is advised of the amount of the fee to be deducted from that account. On at least a quarterly basis, the custodian is required to send the client a statement showing all transactions within the account during the reporting period.

## **B. Account Statements**

Although we are your advisor, your statements will be mailed by the account broker-dealer or custodian. When you receive these statements, please review the statements carefully. Please compare asset values, holdings, and fees to the account statement issued for the previous period.

## **Item 16 Investment Discretion**

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Clients generally hire UGA to provide non-discretionary portfolio management services (as described in Item 4); in which case we do not place trades in a client's account without contacting the client prior to placing trades. Client approval of trades can be provided verbally, by e-mail or in writing. Clients may place restrictions securities of certain industries, products, services and amounts in and percentages thereof.

## **Item 17 Voting Client Securities**

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Fiduciary obligations of prudence and loyalty require an investment adviser with proxy voting responsibility to vote proxies on issues that affect the value of the client's investment. Proxy voting decisions must be made solely in the best interests of the client's account.

UGA typically does not vote proxies on behalf of clients. Clients retain the right to vote all proxies which are solicited for securities held in the account. Clients will receive proxies directly from the account custodian or from the investment's transfer agent. In addition, the Adviser will not take any action or render any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits. Adviser will, however, forward to client any information received by Adviser regarding

class action legal matters involving any security held in the account. Consequently, all proxy solicitations will be sent directly to the client for voting by the custodian or the investment's transfer agent. Although we do not vote proxies, we permit our Investment Adviser Representative(s) to answer questions you may have regarding proxy voting materials in an effort to assist you in determining how to vote the proxy. However, the final decision of how to vote the proxy rests solely with you, the Client.

Clients may direct UGA to vote proxies that are solicited for securities held in client accounts. The Firm may, but is not required to, take any action or render any advice with respect to the voting of proxies solicited by or with respect to the issuers of securities in which assets of the Account may be invested from time to time. UGA, may also, but is not required to, take any action or render any advice with respect to any securities held in any Accounts that are named in or subject to class action lawsuits. Should a material conflict arise between our Firm's interest and that of our clients, our Firm will vote the proxies in accordance with our fiduciary duty to our clients. A written record will be maintained describing the conflict of interest, and an explanation of how the vote taken was in the client's best interest. A written record will be maintained describing the conflict of interest, and an explanation of how the vote taken was in the client's best interest. UGA may refrain from voting a proxy if the cost of voting the proxy exceeds the expected benefit to the client.

Clients may obtain a copy of our proxy voting policies and procedures upon request.

## **Item 18      Financial Information**

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### **A. Balance Sheet Requirement**

UGA does not require or solicit prepayment of more than \$500 in advisory fees per client, six month or more in advance.

### **B. Financial Condition**

The Firm does not have any financial impairment that will preclude it from meeting contractual commitments to clients.

### **C. Bankruptcy Petition**

Neither the Firm nor its management has been the subject of a bankruptcy petition at any time during the last 10 years.



## **Item 19: Requirements for State-Registered Advisers**

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### **A. Firm Management**

Doran Adhami and Itay Vinik are the Managing Members and principal owners of the Firm. Each hold 50% ownership interests in the Firm. Both also serve as the Firm's Investment Adviser Representatives. Their education and business backgrounds can be found in each's Brochure Supplement (Part 2B of Form ADV).

### **B. Other Business Activities**

UGA is not engaged in any other business other than giving investment advice.

### **C. Performance-Based Fees**

As stated in Item 6, UGA does not assess Performance-Based Fees. Performance-Based Fees are based on a share of the capital gains or capital appreciation of the assets of a client. Fees based on performance means UGA participates directly in the account's results. Performance-based compensation may create an may, indirectly, create an incentive for the Firm to make investments on behalf of the Fund that are riskier or more speculative than would be the case in the absence of such allocation.

***Any Performance Allocation will be charged in accordance with the provisions of CCR Section 260.234.***

### **D. Disciplinary Reporting Disclosure**

#### **D.1. Arbitration Claims**

Neither the Firm nor its management persons has been found liable in any arbitration claim alleging damages in excess of \$2,500 involving an investment or investment-related business or activity, fraud, false statements or omissions, theft, embezzlement or other wrongful taking of property, bribery, forgery counterfeiting or extortion or dishonest, unfair or unethical practices.

#### **D.2. Civil, Self-Regulatory Organization (SRO), or Administrative Proceeding**

Neither the firm nor its management persons has been found liable in any civil, self-regulatory organization, or administrative proceeding involving an investment or investment related business or activity, fraud, false statements or omissions, theft embezzlement or other wrongful taking of property bribery, forgery, counterfeiting, or extortion; or dishonest, unfair or unethical practices.

### **E. Relationships or Arrangements with Securities Issuers**

Neither the Firm nor its employees has a relationship or arrangement with any issuer of securities.

## **Conflicts of Interest**

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**All material conflicts of interest under CCR Section 260.238(k) are disclosed, regarding UGA, its representatives and its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.**

## **Privacy Policy**

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UGA does not disclose nonpublic personal information about its clients or former clients to any persons other than as described below. UGA collects information about its clients (such a name, address, social security number, assets and income) from discussions with clients, from documents that clients may deliver to UGA (such as account applications) and in the course of providing services. In order to service its client accounts and effect client transactions, UGA may provide client personal information to its affiliates and to firms that assist it in servicing client accounts and which have a need for such information. UGA does not otherwise provide information about its clients to outside firms, organizations or individuals except as required by law. Any party that receives this information will use it only for the services and as allowed by applicable law or regulations, and is not permitted to share or use this information for any other purpose.