

FORM ADV PART 2A



GBS FINANCE, LLC

135 East 57th Street, 16th Floor
New York, NY 10022

March 19, 2014

This brochure provides information about the qualifications and business practices of GBS Finance, LLC (“**GBS**”). If you have any questions about the contents of this brochure, please contact us at (646) 553-1276 or jsilva@gbsfinancelc.com. 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.

Additional information about GBS also is available on the SEC’s website at www.adviserinfo.sec.gov and in our website www.gbsfinancelc.com.

GBS is registered as an investment adviser with the SEC. Registration with the SEC does not imply a certain level of skill or training.

Item 2: Material Changes

This Item will discuss only specific material changes made to the brochure and will provide clients with a summary of such changes.

Only material changes since the last Other-Than-Annual Amendment dated June 6, 2013 and Form ADV filing on April 1, 2013 are as follows:

- A new Chief Compliance Officer, Mr. Jorge Silva-Puras, was named effective October 2013, substituting Ms. Vanessa Fiore.
- The Chief Marketing Officer, Mr. Luis Alvarez Vilá, left the firm effective February 2014. GBS is in the process of designating a new Chief Marketing Officer.

This brochure serves as the annual update for the year ending December 31, 2013 per the amended Form ADV 2A instructions.

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Item 4: Advisory Business

Firm Overview

GBS Finance, LLC (“**GBS**”) is a Delaware limited liability company that was formed in May 2012. GBS’ principal place of business is in New York, New York. Aramil Develops, S.L. is the principal owner of GBS and the indirect principal owners include GBS Finanzas, S.A. and Alliance Partners, S.L. Please refer to **Schedule A** of GBS’ Form ADV Part 1A for additional information about the ownership of the firm.

Clients and Services

GBS is an investment management and wealth advisory firm providing services to primarily high net-worth individuals, families, family offices, foundations, endowments and other institutions. GBS provides these services on a discretionary and non-discretionary basis for domestic and non-U.S. accounts.

Discretionary Services. GBS manages client portfolios pursuant to a variety of investment strategies that clients may select depending on their investment objectives and restrictions. Such strategies generally include, without limitation, equities, emerging markets, fixed income, collective investment vehicles and derivatives. More detailed information about these strategies is found below under “*Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.*” Clients may impose restrictions on how GBS manages their accounts according to these strategies. These restrictions generally appear either in the client’s investment management agreement or in the investment guidelines adopted for the account.

Non-Discretionary Services. GBS provides non-discretionary management services to clients in the following areas:

- (1) GBS assists clients in the design and implementation of the architecture of overall investment programs, based on, among other things, each client’s financial circumstances, risk parameters, investment objectives and restrictions, and cash flow needs.
- (2) GBS provides recommendations with respect to liquidity management for the cash needs and goals of clients based on parameters and other information provided by each client.
- (3) GBS provides oversight, monitoring and review services with respect to the investment management services provided by third-party investment managers who manage portions of client assets (including via their management of pooled investment vehicles in which client assets may be invested) (“**Third-Party Managers**”).

As part of its services, GBS will offer to audit a prospective client’s portfolio to gain a better understanding of the allocations, current positions, volatility and risks across the entire portfolio, as well as the prospect’s investment suitability. GBS will also analyze the portfolio’s fee structure, including the client’s use of banks/custodians, and, where appropriate, make recommendations intended to improve portfolio efficiency that may result in the client paying lower fees and expenses than previously.

In addition, GBS may act in a sub-adviser capacity from time to time. GBS may also provide other advisory, private business, family office consulting and administrative services as clients may request. The scope of any such services provided by GBS will vary depending on the needs of the client.

In the event that GBS may provide any commodities and futures trading advice to clients that would require GBS to register as a “commodity trading advisor” (“CTA”) under the Commodity Exchange Act, as amended, GBS intends to rely on available exemptions from such registration.

As of December 31, 2013, GBS managed approximately \$36,000,000 in client assets on a discretionary basis and approximately \$2,536,000,000 million client assets on a non-discretionary basis.

Item 5: Fees and Compensation

GBS does not maintain a basic fee schedule. GBS may charge clients an investment management fee and/or a performance-based fee, which are generally negotiated with each client. The amount and other terms of such fees will be set forth in the investment management agreement entered into with the client and will vary with each client. Any performance fees will be charged in accordance with Section 205 of the Advisers Act and the conditions of Rule 205-3 thereunder.

Typically, GBS’ management fee for providing discretionary management services is based upon a percentage of the market value of assets under management and will be payable quarterly in arrears. GBS may, however, enter into negotiated arrangements where its management fee will be paid on different terms. Management fees will be prorated for partial periods and clients will be refunded the balance (if any) of any pre-paid fees.

GBS’ fees for non-discretionary and other services are negotiated on a case-by-case basis with each client based on the services to be provided.

To the extent permitted in its investment management agreement with a client, GBS generally will debit client accounts to pay its fees. In such case, fees typically are charged directly to the client’s custody account, and a copy of the invoice is sent to the client contemporaneously with its transmittal to the custodian. In its sole discretion, GBS may negotiate alternative payment arrangements with clients.

GBS may waive, rebate, reallocate or reduce its fees for certain clients, in its sole discretion.

Other Fees and Expenses

Clients incur other fees associated with GBS’ management of their accounts in addition to GBS’ fees described above. For example, each client’s custodian charges a custodial fee and may also charge transaction fees or other administrative fees for services it provides. In addition, the broker-dealers that GBS selects or recommends to execute transactions in client accounts charge a spread, commission or transaction fee, as the case may be, that clients are responsible for paying. More detailed information about our brokerage practices is found below under “*Item 12: Brokerage Practices.*” Clients are also responsible for paying the fees, allocations and expenses of any registered funds, money market funds and private investment funds in which they may be

invested, as disclosed in each fund's prospectus or offering documents. Furthermore, in addition to GBS' fees, clients pay the fees and expenses of any Third-Party Managers that manage client assets pursuant to the investment management agreement entered into with any such Third-Party Manager or other agreement(s) entered into with any collective investment vehicles in which client assets may be invested and that are managed by Third-Party Managers.

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

As described above in Item 5, GBS may charge clients a management fee based on a percentage of assets under management and/or a performance-based fee. As a result, GBS may face certain actual or perceived conflicts of interest by managing accounts charged a performance-based fee and accounts charged only a management fee or a flat fee, including the possibility that GBS may have an incentive to favor accounts for which it receives performance-based fees or accounts charged a higher performance-based fee over accounts from which it receives a lower performance-based fee. In addition, it is possible for performance fees to create an incentive for GBS to make investments that are riskier or more speculative than would be the case in the absence of such fees because GBS benefits from such fees on the appreciation in value of the applicable accounts.

In an effort to address these potential conflicts, GBS does not discriminate on an impermissible basis against one client or group of clients. Furthermore, when GBS transacts securities for more than one client account, the investment opportunities and trades must be allocated in a manner consistent with GBS' fiduciary duties. GBS will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible portfolios, particularly if different portfolios have materially different amounts of capital under management by GBS or different amounts of investable cash available or different investment guidelines, financing arrangements and/or broker-dealer relationships. As a result, although GBS manages portfolios with similar or identical investment objectives, or may manage accounts with different objectives that trade in the same securities, the portfolio decisions relating to these accounts, and the performance resulting from such decisions, may differ from portfolio to portfolio.

Item 7: Types of Clients

GBS offers investment advisory services to various types of clients, including without limitation:

- High net worth individuals, their families, family offices and related entities
- Trusts and other fiduciary accounts (such as estates)
- Foundations, endowments, charitable and other nonprofit institutions
- Corporations and other institutions
- Taxable and tax-exempt accounts

The conditions for starting and maintaining an account will vary with the circumstances of each client and be negotiated and set forth in the relevant investment management agreement with the client. GBS' usual target dollar value of assets for starting a client relationship, however, is \$5

million, which may include several related accounts. GBS reserves the right to waive or reduce any conditions for opening or maintaining an account in its sole discretion.

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

The methods of analysis and investment strategies used by GBS in managing client assets are summarized below, but may vary depending on the needs of each client. In addition, the material risks involved with each significant investment strategy and method of analysis is explained below.

Methods of Analysis and Investment Strategies

GBS' investment philosophy is focused on providing a diversified exposure across a large number of asset classes and markets in order to help each client achieve its goals while keeping the overall portfolio risk as low as possible.

GBS employs a comprehensive process to seek to effectively implement its investment philosophy. The first step in the investment process is to define the universe of available investments, which includes, without limitation:

- Global Developed Equity Markets: North America, Europe, Japan, Pacific ex Japan
- Global Emerging Equity Markets: Asia, Latin America, EMEA
- Global Sovereign Bonds
- Global Investment Grade Corporate Bonds
- Global High Yield Bonds
- Emerging Market Debt, both in local currency and in USD/EUR
- Global Inflation Protected Bonds
- Global REITs
- Commodities
- Hedge Funds
- Private Equity

This universe of available investments may be reduced based on specific client instructions.

The second step in this process is to formulate a strategic asset allocation for each client. The strategic asset allocation is a forward-looking exercise aimed at identifying the best combination of the underlying asset classes to meet each client risk/return profile. This is achieved through a combination of optimization techniques (identifying various portfolios of the “efficient frontier”), as well as back-testing/stress-testing, liquidity considerations and client-specific restrictions. The forward-looking view is obtained through a combination of judgment, historical data for each asset class and some quantitative models. The typical investment horizon for the strategic asset allocation is 5 years, and is reviewed on a yearly basis.

The strategic asset allocation is intended to serve as a benchmark or a guide to implement investments during the year and provide that each portfolio is properly invested from a risk/return profile. During the year, GBS' Investment Committee (as defined below) may make tactical asset allocation decisions. These decisions generally have a shorter-term time horizon (normally from 1 to 6 months) and may lead to deviations from the strategic asset allocation. Tactical asset allocations decisions are primarily based on an analysis of the business cycle. Other factors which can impact tactical asset allocations decisions include, but are not limited to, technical analysis, fund flows/investor sentiment, earnings momentum and valuations. Generally, tactical asset allocations are implemented both to increase the potential for return (while remaining within the limits of acceptable risk levels) as well as to protect portfolios against potential short-term losses (which, for example, may include hedging strategies using derivatives).

The final step in the investment process is to implement the strategic asset allocation by selecting investments for each asset class/type of investment in the portfolio, which may include, without limitation, the following:

- Common stocks, preferred stocks and convertible bonds
- Exchange Traded Funds (“ETFs”)
- Mutual Funds (including UCITS funds)
- Debt issued by governments, agencies, supranational entities or corporate entities
- Zero coupon bonds, municipal bonds and asset-backed securities
- Derivatives
- Structured notes
- Hedge funds: single managers and fund-of-funds
- REITs

GBS' core investment strategy is to develop a balanced portfolio with various risk levels, and within this primary strategy are numerous related subsets. For example, as a subset of its broader balanced strategy, GBS will also offer strategies based on either fixed income or equity investments. Strategies will be available both on a discretionary and non-discretionary basis.

In its discretion, GBS may select Third-Party Managers to implement any particular investment strategy or investment opportunity for a client. GBS' Investment Committee will determine the universe of recommended Third-Party Managers. In selecting potential Third-Party Managers, GBS will consider the following factors:

- Recommendations from banks and brokers, including detailed due diligence analysis (both quantitative/qualitative)
- Quantitative analysis of performance, risk, tracking error, information ratio, impact on overall portfolio (among other items)
- Meetings and conference calls with Third-Party Managers

- Review of total expense ratio for prospective Third-Party Managers

Investment Committee. GBS has an investment committee comprised of those involved with investment advisory services (the “**Investment Committee**”). The Investment Committee endeavors to meet on a quarterly basis. During the quarterly meetings, the Investment Committee will review each client account for, among other things, compliance with applicable investment objectives, restrictions and guidelines. In addition, the Investment Committee will:

- Define the strategic asset allocation for each client
- Select 5 model portfolios corresponding to 5 different risk profiles: Global Fixed Income, Global Equities, Global Balanced Strategies Level 1 (GBS 1), Level 2 (GBS 2) and Level 3 (GBS 3)
- Define tactical asset allocations for model portfolios and agree on specific tactical decisions for each portfolio
- Identify the universe of acceptable mutual funds and hedge funds
- Perform risk analysis and performance analysis for each portfolio

Notwithstanding the functions of GBS’ Investment Committee described above, all decisions regarding investments and allocations for GBS clients generally are subject to the final approval of the Chief Investment Officer.

Risk Factors

The following is a brief summary of the risks that GBS believes to be material and associated with the significant methods of analyses and investment strategies employed by GBS. The following risk factors do not purport to be a complete list or explanation of all risks involved with all of GBS’ methods of analyses and investment strategies. Clients should carefully evaluate all applicable risks with any investment or investment strategy before investing. Investing in securities (including instruments in which client accounts may invest) involves a risk of loss that clients should be prepared to bear. An investment in a managed account is not guaranteed and is suitable only for investors who can tolerate significant risk. Past performance is not indicative of future performance, and there is no assurance that any client account will achieve its investment objective(s).

Reliance on Key Personnel. All decisions with respect to the discretionary investment of client assets will be made by GBS, which relies on the services of its officers and employees. Should any of the key officers or employees of GBS terminate their relationships with GBS, die or become otherwise incapacitated for any period of time, this may adversely affect the operations of GBS and, potentially, the performance of client accounts.

Business Risks; Economic Conditions. Investments are subject to risk from changes in the economic climate, including, for example, interest rates, inflation rates, industry conditions, competition, technological developments, political and diplomatic events and trends, tax laws, the competency of management, and innumerable other factors, in a similar way to other industrial or commercial companies. None of these conditions are within the control of GBS.

For these and other reasons, there can be no guarantee that companies in which client accounts invest will develop as anticipated or that the consistent, absolute returns sought will actually be achieved.

Market risk. Prices of the securities and other investments held by client accounts will fluctuate sometimes rapidly and unexpectedly. These fluctuations may cause the price of a security or investment to decline for short or long-term periods and cause the security or investment to be worth less than it was worth when purchased by the client account. In addition, actual and perceived accounting, and other irregularities may cause dramatic price declines in the equity securities of companies reporting such irregularities or which are the subject of rumors of such irregularities.

Debt Securities Risk. The risks of investing in debt securities include (without limitation): (i) credit risk -- the issuer may not repay the loan created by the issuance of that debt security; (ii) maturity risk -- a debt security with a longer maturity may fluctuate in value more than one with a shorter maturity; (iii) market risk -- low demand for debt securities may have a negative impact on their price; (iv) interest rate risk -- when interest rates go up, the value of a debt security goes down, and when interest rates go down, the value of a debt security goes up; (v) selection risk -- the securities that we select may underperform the market or other securities selected by other funds; and (vi) call risk -- during a period of falling interest rates, the issuer may redeem a security by repaying it early, which may reduce the strategy's income, if the proceeds are reinvested at lower interest rates.

Municipal Securities Risk. Municipal securities risks include the ability of the issuer to repay the obligation, the relative lack of information about certain issuers, and the possibility of future tax and legislative changes which could affect the market for and value of municipal securities. To be tax exempt, municipal bonds must meet certain regulatory requirements. Municipalities continue to experience economic and financial difficulties in the current economic environment. The ability of a municipal issuer to make payments and the value of municipal securities can be affected by uncertainties in the municipal securities market. Such uncertainties could cause increased volatility in the municipal securities market and could have a negative impact on the strategy's performance. To be tax exempt, municipal bonds must meet certain regulatory requirements. If a municipal bond fails to meet such requirements, the interest received by the strategy from its investment in such bonds may be taxable. It is possible that interest on a municipal bond may be declared taxable after the issuance of the bond, and this determination may apply retroactively to the date of the issuance of the bond, which could cause a portion of prior distributions made by the strategy to be taxable in the year of receipt.

Equity Securities Risk. Investments in common stocks and other equity securities are particularly subject to the risk of changing economic, stock market, industry and company conditions and the risks inherent in our ability to anticipate changes that can adversely affect the value of the strategy's holdings. Opportunity for greater gain often comes with greater risk of loss.

Foreign Securities Risk. Investments in foreign securities are subject to risks that differ from those of U.S. issuers. These risks may include: fluctuating currency values; less liquid trading markets; greater price volatility; political and economic instability; less publicly available information about issuers; changes in U.S. or foreign tax or currency laws; and changes in

monetary policy. Foreign securities may be more difficult to sell than U.S. securities. These risks may be greater in emerging market countries (including certain countries in Latin America and Central and Eastern Europe) than in more developed countries.

Investments in foreign securities may involve difficulties in receiving or interpreting financial and economic information, imposition of taxes, higher brokerage and custodian fees, currency rate fluctuations or exchange controls or other government restrictions, including seizure or nationalization of foreign deposits or assets. There may also be difficulty in invoking legal protections across borders. Some of these risks may cause the value of client account assets to be more volatile than that of a U.S. only strategy. Client accounts may also incur higher expenses and costs when making foreign investments, which could affect a client account's total return. The risks of foreign securities are likely to be greater in emerging market countries (including certain countries in Latin America and Central and Eastern Europe) than in foreign countries with developed securities markets and more advanced regulatory regimes. Among other things, emerging market countries may have economic structures that are less mature and political systems that are less stable. Moreover, emerging market countries may have less developed securities markets, high inflation, and rapidly changing interest and currency exchange rates. Exchange rate movements can be large and can endure for extended periods of time, affecting either favorably or unfavorably the value of client account assets.

Convertible Security Risk. Convertible securities generally offer lower interest or dividend yields than non-convertible fixed-income securities of similar credit quality because of the potential for capital appreciation. The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. However, a convertible security's market value also tends to reflect the market price of the common stock of the issuing company, particularly when the stock price is greater than the convertible security's conversion price. The conversion price is defined as the predetermined price or exchange ratio at which the convertible security can be converted or exchanged for the underlying common stock.

Mandatory convertible securities are distinguished as a subset of convertible securities because the conversion is not optional and the conversion price at maturity is based solely upon the market price of the underlying common stock, which may be significantly less than par or the price (above or below par) paid. Mandatory convertible securities generally do not limit the potential for loss to the same extent as securities convertible at the option of the holder.

Alternative investments. Alternative investments, such as hedge funds and private equity/venture capital funds, are speculative and involve a high degree of risk. There is no secondary market for alternative investments and there may be significant restrictions or limitations on withdrawing from or transferring these types of investments. Private equity funds generally require an investor to make and fund a commitment over several years. Alternative investments generally have high fees (including both management and performance based fees) and expenses that offset returns. Alternative investments are generally subject to less regulation than publicly traded investments.

Derivatives Risk. The use of derivatives may increase the volatility of the value of client account assets and may involve a small investment of cash relative to the magnitude of risk assumed. The principal risk of forward commitments is that the security may be worth less when it is issued or received than the price that a client account agreed to pay when it made the

commitment. The principal risks of swap agreements are that they may be difficult to value and may be susceptible to liquidity and credit risk. The principal risk of futures contracts is that they may result in losses in excess of the amount invested in the futures contract, which may be unlimited. The principal risk of options transactions is that they may increase the volatility of the value of client account assets and may involve a small investment of cash relative to the magnitude of the risk assumed. Derivatives may also be subject to counterparty risk, that is, the risk that the other party in the transaction will not fulfill its contractual obligations.

Foreign Futures or Options. GBS may trade foreign futures or options contracts for certain client accounts. Transactions on markets located outside of the United States, including markets formally linked to a United States market, may be subject to regulations which offer different or diminished protection to client accounts. Further, United States regulatory authorities may be unable to compel the enforcement of the rules or regulatory authorities or markets in non-United States jurisdictions where transactions for client accounts may be effected.

Specifically, some non-U.S. exchanges, in contrast to U.S. exchanges, are “principal markets” in which performance with respect to a contract is the responsibility only of the individual member with whom the trader has entered into a contract and not of the exchange or clearinghouse, if any. In the case of trading on non-U.S. exchanges, client accounts will be subject to the risk of the inability of, or refusal by, its counterparty to perform with respect to such contracts. It is also possible that client accounts will not have the same access to certain trades as do various other participants in non-U.S. markets. Due to the absence of a clearinghouse system on many non-U.S. markets, such markets are significantly more susceptible to disruptions, which may include prolonged suspensions of trading and involuntary settlement of positions at artificial prices, than on U.S. exchanges.

Sovereign Debt Obligations. GBS may invest in sovereign debt obligations for certain client accounts. Sovereign debt obligations are issued or guaranteed by a foreign government or one of its agencies, authorities, instrumentalities or political subdivisions. Investments in sovereign debt obligations involve special risks not present in corporate debt obligations. The issuer of the sovereign debt or the governmental authorities that control the repayment of the debt may be unable or unwilling to repay principal or interest when due, and client accounts may have limited recourse in the event of a default. During periods of economic uncertainty, the market prices of sovereign debt may be more volatile than prices of U.S. debt obligations. In the past, certain non-U.S. markets have encountered difficulties in servicing their debt obligations, withheld payments of principal and interest and declared moratoria on the payment of principal and interest on their sovereign debts. A sovereign debtor’s willingness or ability to repay principal and pay interest in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign currency reserves, the availability of sufficient foreign exchange, the relative size of the debt service burden, the sovereign debtor’s policy toward principal international lenders and local political constraints. Sovereign debtors may also be dependent on expected disbursements from foreign governments, multilateral agencies and other entities to reduce principal and interest arrearages on their debt. The failure of a sovereign debtor to implement economic reforms, achieve specified levels of economic performance or repay principal or interest when due may result in the cancellation of third-party commitments to lend funds to the sovereign debtor, which may further impair such debtor’s ability or willingness to service its debts.

ETF Risk. Because ETFs trade on a securities exchange, their shares may trade at a premium or discount to their net asset value. An ETF is subject to the risks of the assets in which it invests in addition to those of the investment thesis it follows. A client account invested in ETFs will incur brokerage costs when it buys and sells shares of an ETF and also bear its proportionate share of ETF fees and expenses, which are passed through to ETF shareholders.

Real Estate Securities Risk. The value of real estate securities in general, and in particular REITs, are subject to the same risks as direct investments and will depend on the value of the underlying properties or the underlying loans or interest. The value of such securities will increase and decrease in response to many factors, including economic conditions, the demand for rental property and interest rates. Specifically, the value of such securities may decrease when interest rates increase and will be affected by the real estate market and by the management of underlying properties. REITs may be more volatile and/or more illiquid than other types of equity securities.

Currency Risk. The value of a client's assets may be affected favorably or unfavorably by the changes in currency rates and exchange control regulations. Some currency exchange costs may be incurred by clients when a strategy changes investments from one country to another. Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by the forces of supply and demand in the respective markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors, as seen from an international perspective. Currency exchange rates can also be affected unpredictably by intervention by governments or central banks (or the failure to intervene) or by currency controls or political developments.

Leverage Risk. The Third-Party Managers, and any collective investment vehicles in which client accounts may be invested and that are managed by Third-Party Managers, may employ leverage through borrowings (including transactions entered into on margin) and through the use of options, futures contracts, swap transactions, repurchase agreements and other derivative instruments. While the use of borrowed funds can substantially improve the return on invested capital, it also may increase any adverse impact to which the funds may be subject and, therefore, subject client accounts to greater risk of loss. GBS will have little or no control over the use of leverage by Third-Party Managers and such collective investment vehicles.

Portfolio Concentration. GBS' internally managed investment strategies (and some Third-Party Manager strategies) generally will hold a relatively concentrated portfolio of securities in comparison to their respective benchmarks and broader market indices. In addition, certain of these strategies may focus on particular sectors of broader markets. As a result, the returns of the strategy may be impacted (adversely or positively) by the performance of one or more positions in the portfolio or the sectors in which the strategies focus their investments.

Valuation Risk. There is no central place or exchange for fixed-income securities trading. Fixed-income securities generally trade on an "over-the-counter" market, which may be anywhere in the world where the buyer and seller can settle on a price. Due to the lack of centralized information and trading, the valuation of fixed-income securities may carry more risk than that of common stock. Uncertainties in the conditions of the financial market, unreliable reference data, lack of transparency and inconsistency of valuation models and processes may lead to

inaccurate asset pricing. In addition, other market participants may value securities differently. As a result, when a security or other instrument is sold in the market, the amount that the account receives may be less than the amount at which it was valued. Valuations of the assets, which will affect the amount of fees (including, to the extent applicable, performance compensation) payable to GBS may involve uncertainties and judgmental determinations, and if such valuations prove to be incorrect, client portfolio value could be adversely affected. For example, in the case of an overvaluation of a client's portfolio, GBS' compensation would be greater than if the correct lower valuation had been used.

Item 9: Disciplinary Information

As a registered investment adviser, GBS is required to disclose any legal or disciplinary events that would be material to a client's or prospective client's evaluation of GBS' advisory business or the integrity of GBS' management. GBS does not have any such legal or disciplinary items to report.

Item 10: Other Financial Industry Activities and Affiliations

Neither GBS nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

GBS is affiliated with GBS Finanzas Investcapital, AV, S.A. ("**GBSFI**"), a Sociedad Anónima located in Madrid, Spain. GBSFI has been registered with and regulated by the Comisión Nacional del Mercado de Valores ("**CNMV**") since June 2008 as a broker-dealer for investment management and wealth advisory services. GBSFI may provide GBS with research, and may assist GBS with production of client reports.

Cyber Capital Holdings, Ltd. ("**Cyber**"), a corporation organized under the laws of the British Virgin Islands, is a wholly owned subsidiary of GBS. Cyber is not registered with the SEC as an investment adviser under the Advisers Act. GBS and Cyber have entered into an arrangement pursuant to which Cyber is considered a "Participating Affiliate" of GBS, as that term is used in relief granted by the SEC staff. Cyber currently provides investment advisory services on a non-discretionary basis to two non-U.S. clients. GBS and Cyber do not expect that Cyber will provide any investment advisory services with respect to any clients in the United States or any GBS clients; however, Cyber will use certain of the resources and personnel of GBS in providing advisory services to its non-U.S. clients. In the event that any personnel of Cyber becomes involved in providing investment advisory services to clients in the United States or clients of GBS, such persons will be supervised persons of GBS. Cyber will keep all records required by the Advisers Act with respect to any such clients or services for the period of time required by the Advisers Act and related rules. In addition, GBS will promptly upon request from the SEC or its staff, provide the SEC or its staff with copies of any and all of such books and records.

GBS personnel will devote such time to the activities of GBS and the affiliates described above, to the extent applicable, as is reasonable and appropriate to carry out their duties in accordance with applicable standards.

GBS does not accept placement fees or other monetary compensation from Third-Party Managers which it selects on behalf of clients.

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

Code of Ethics

GBS has adopted a Code of Ethics (“**Code**”) that sets forth the standards of conduct expected of GBS’ personnel. The Code requires GBS’ personnel to report their personal securities holdings and transactions and requires GBS’ Chief Compliance Officer to pre-approve certain investments. GBS’ personnel are required to submit an annual report of brokerage accounts and holdings along with an annual acknowledgement and certification stating that the individual will comply with the Code. In addition, personnel are required to submit quarterly transaction reports that detail the individual’s securities transactions for the quarter. The Code also places limits on gifts and entertainments, and political contributions. All employees, managers and officers of GBS must comply with the Code. The Code states that GBS’ personnel owe a duty of loyalty to GBS and its clients that requires personnel to act for the best interests of GBS’ clients. In addition, personnel must avoid actions or activities that allow (or appear to allow) them or their family members to profit or benefit from their relationships with GBS and its clients. The Code also contains policies involving the safeguarding of proprietary and non-public information by GBS personnel, along with restrictions on the use of insider information and the use of non-public information regarding a client.

GBS will provide a copy of its Code to any investor or prospective investor upon request.

Personal Trading

GBS acts as investment adviser to a number of client accounts and may give advice and take action with respect to any accounts it manages, or for its own accounts or for the account(s) of GBS personnel, which may differ from action taken by GBS on behalf of other accounts. GBS is not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling any security that GBS or a director, officer, employee and affiliate of GBS may buy or sell for its or their own accounts or for any other account GBS manages. Additionally, from time to time, GBS and its directors, officers and employees and affiliates may have interests in securities owned by or recommended to clients. Such interests may also arise because such persons invest or otherwise have an interest, either directly or indirectly, in pooled investment vehicles which, in turn, may invest in securities held in other accounts managed by GBS. As these situations (as well as personal trading or other activities engaged in by GBS and its personnel) may lead to potential conflicts of interest, GBS has implemented procedures relating to, among other things, personal securities transactions and insider trading, as described above, that are designed to identify potential conflicts of interest, to prevent or mitigate actual conflicts of interest and to resolve conflicts appropriately, if they do occur. Subject to compliance with GBS’ Code and applicable law, such personnel are permitted to invest in securities held in client accounts.

Participation or Interest in Client Transactions

From time to time, GBS may effect cross transactions, either directly or through a broker-dealer, between accounts in which one client will purchase securities held by another client. For example, GBS may effect a cross transaction in connection with reallocation and rebalancing

transactions for certain GBS client accounts. GBS effects such cross transactions after taking into account its fiduciary obligations with respect to each client participating in such cross transactions and other requirements of the Advisers Act and applicable law. GBS will engage in such cross transactions among its clients only if it determines that such cross transactions are in the best interest of each client participating in such cross transactions and the cross transactions are executed at prices that represent the current value of the securities at the time of the transaction. Neither GBS nor any of its affiliates or other related parties receives any compensation in connection with such cross transactions.

GBS, its affiliates and its other related persons may from time to time buy or sell for their own accounts the same securities they buy or sell for, or recommend to, GBS clients. This trading is performed independent of the trading activities in client accounts and a client's interest always has priority to the interests of GBS, its affiliates and its other related persons.

As mentioned above, GBS may give investment advice to clients recommending an investment in various types of investments (including collective investment vehicles and private equity investments) where GBS and/or its related persons have an interest. Eligible officers and employees of GBS may be provided the opportunity to align their financial interests with those of GBS' clients by investing their personal funds in investments (including collective investment vehicles and private equity investments) that are offered to GBS clients or in which GBS clients may be invested. GBS may waive, reduce or otherwise modify the fees it charges to such GBS personnel with respect to such investments. These arrangements have the potential, however, to present actual or perceived conflicts of interest. For example, it is possible that the GBS personnel who participate in co-investment opportunities with clients may have an incentive to recommend the acquisition or disposition of assets based on their own interests, rather than those of GBS' clients. Also, the GBS personnel participating in such co-investment opportunities may, at the time of their investments, have information regarding potential investments that may be more comprehensive than information known by GBS clients at the time that they made their investments. In addition, GBS personnel who participate in such co-investment opportunities may not be financially able to meet capital calls, if applicable. GBS has implemented policies and procedures, including the Code, that are designed to help mitigate any conflicts of interest and ensure that GBS personnel act in the best interests of GBS' clients at all times.

Item 12: Brokerage Practices

Best Execution and Brokerage Selection

For discretionary client accounts, clients generally will provide GBS with authority to execute trades, select broker-dealers and negotiate commissions on behalf of such accounts. In such case, GBS makes investment decisions and arranges for the placement of buy and sell orders and the execution of portfolio transactions for such accounts. In arranging for the execution of portfolio transactions on behalf of a client account, GBS seeks to obtain best execution at favorable prices on behalf of the client account.

In selecting broker-dealers, GBS seeks those broker-dealers who can provide best execution of transactions under the circumstances. The principal factors determining this selection include, but are not limited to: (1) a broker's financial condition; (2) qualitative assessment of broker's

history; (3) accuracy and speed in order execution; (4) documentation and after-sales services; (5) information provided, primarily in the form of research (on companies as well as sectors); (6) affiliation of the broker with the various exchanges (spot and futures exchanges); (7) a broker's procedure in proprietary trading; (8) corporate brokers are preferable; and (9) brokerage fee structure (discount versus research). "Best execution" is not synonymous with lowest brokerage commission. Consequently, in a particular transaction, a client account may pay a brokerage commission in excess of that which another broker might have charged for executing the same transaction.

Soft Dollar Benefits

GBS may receive proprietary research from a broker-dealer in connection with client securities transactions. When GBS uses client brokerage commissions to obtain proprietary research from a broker-dealer, GBS receives a benefit because it does not have to produce or pay for the research itself. As a result, we may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research, rather than on our clients' interest in receiving most favorable execution of trades. The services benefit GBS by allowing GBS, at no additional cost to it, to:

- supplement its own research, analysis and execution activities
- receive the views and information of individuals and research staffs of other securities firms
- gain access to persons having special expertise on certain companies, industries, areas of the economy and market factors

GBS describes below its policies concerning the use of soft dollars, what GBS receives with soft dollars, and how GBS manages these conflicts. GBS may cause clients to pay brokerage commissions higher than those charged by other broker-dealers in return for soft dollar benefits. For fixed income trades, GBS does not cause clients to pay mark-ups or mark-downs higher than those charged by other broker-dealers in return for soft dollar benefits. Under no circumstances does GBS receive research or other benefits that is not produced or prepared by such broker-dealer (also known as "third-party research").

In general, soft dollar services furnished by broker-dealers through which GBS trades are used for the benefit of GBS' clients as a group and not solely or necessarily in all cases for the benefit of the particular client whose trades are handled by the broker-dealer who provides such services.

If GBS determines in good faith that the amount of client brokerage commissions is reasonable in relation to the value of the brokerage and research services provided, such commissions may be equal to or greater than the amount another broker-dealer might charge. We review the reasonableness of commission and other transaction costs incurred by our clients in light of the facts and circumstances we deem relevant from time to time, including information furnished by our traders.

GBS intends to use client brokerage commissions to pay only for brokerage and research services that are eligible under Section 28(e) of the Securities Exchange Act of 1934, as amended, and related SEC interpretive releases.

The nature of the research services that GBS receives from brokerage firms varies from time to time, but generally includes, among other information, the following: current and historical financial data concerning particular companies and their securities; information and analysis concerning portfolio strategy, securities markets and economic and industry matters; technical and statistical models and studies and data dealing with various investment opportunities, values, risks and trends; analysis and reports concerning the performance of accounts; and advice as to the value of securities, the advisability of investing in or selling securities and the availability of securities or purchasers or sellers of securities.

Trade Aggregation

GBS may (but is not obligated to) combine or “bunch” orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among GBS’ clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. GBS’ determination with respect to allocations will be based on what is appropriate under the particular circumstances, and the allocation may be made based upon relevant factors, which may include: (i) cash availability and need; (ii) suitability; (iii) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (iv) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (v) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (vi) with respect to sale allocations, allocations may be given to accounts low in cash; (vii) in cases when a *pro rata* allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, GBS may exclude the account(s) from the allocation and the transactions may be executed on a *pro rata* basis among the remaining accounts; or (viii) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis. In general, when allocating fills or grouped orders for non-equity investments, prices are allocated by account or allocate prices from high to low to accounts, whether buying or selling and always in the same order. For equity investments, generally, each client will receive the same average price as other participants in the bunched transaction.

Clients may pay more when GBS does not aggregate trades, as seeking to place separate, non-simultaneous transactions in the same security for multiple clients may negatively affect market price, transaction commissions and/or trade execution. A client’s non-participation in bunched trades may result in lost opportunities to purchase securities for such client’s account that other clients participating in bunched trades were able to purchase.

Brokerage for Client Referrals

Neither GBS nor any of its related persons takes into consideration whether it receives client referrals from a broker-dealer or third-party when selecting or recommending broker-dealers for client securities transactions.

Directed Brokerage

GBS will generally accommodate a client's request that a particular broker be used to effect transactions for that client's account. Clients who have so directed that GBS use a particular broker to effect transactions for its client account are advised that such a direction of brokerage may result in their receiving less favorable execution in certain transactions, paying higher prices, or in their paying higher transaction costs either in individual transactions or in the aggregate, because that broker would be used regardless of that broker's execution capabilities or the execution opportunities available in the market place with respect to particular transactions. In addition, trades for these directed client accounts may not be aggregated with, and may not be effected at the same time or the same price as, the trades for other clients. It is also possible that directed brokerage clients may at times miss limited opportunity investments in which other clients were able to invest by participating in the aggregated trade, and conversely it is possible that at times participation in the aggregate trade could result in those nondirected client accounts missing limited opportunity investments in which directed brokerage clients were able to invest.

Item 13: Review of Accounts

GBS' Chief Investment Officer and one or more members of the portfolio management team review positions in client accounts on an ongoing basis to monitor each account's compliance with the investment objectives and guidelines described in the investment management agreement and related guidelines for the relevant account. In addition, GBS conducts formal Investment Committee meetings, as more fully described in "*Item 8 - Methods of Analysis and Investment Strategies*." GBS also conducts meetings with clients upon request.

GBS generally creates customized written reports for client accounts. Clients will receive such reports, if any, as may be required under the terms of the particular client's investment management agreement.

Item 14: Client Referrals and Other Compensation

GBS does not receive economic benefits from non-clients for providing investment advice and other advisory services to its clients. GBS may compensate its own personnel, affiliates, employees of its affiliates, or third-party solicitors, placement agents, finders, distributors or similar persons (collectively, "**solicitors**") who refer potential clients to GBS or solicit.

Any such compensation is generally expected to be paid by GBS and is not expected to be charged to its clients. Compensation may be based on a percentage of the management fees earned by GBS from the referred client. Any such arrangement with a solicitor will comply with Rule 206(4)-3 under the Advisers Act to the extent applicable.

Item 15: Custody

Depending on the scope of services provided to a client, GBS may be deemed to have custody of assets held within a client's account within the meaning of the Custody Rule because GBS may have access to or authority over client funds and securities for purposes other than issuing trading instructions (for example, GBS may have the authority to instruct the custodian for the client's account to pay fees to GBS directly from such account). If GBS is deemed to have custody over any client's account, the client's qualified custodian will send directly to such client (and/or such client's authorized representative) account statements on a quarterly, or more frequent, basis. Clients should carefully review those statements. Clients who do not receive account statements from their qualified custodian on at least a quarterly basis should promptly report this to GBS. In addition, clients may receive account statements from GBS. If a client receives account statements from GBS, we encourage the client to compare those statements to the account statements that the client received from its custodian and/or custodian bank accounting department.

Item 16: Investment Discretion

In relationships where GBS is given discretionary authority over the investment management of a client's account, clients are generally required to sign an investment management agreement appointing GBS as their discretionary investment manager and a limited power of attorney or similar trading authorization. Depending on the client's choice of custodian, the client may also need to specifically appoint GBS as the discretionary investment manager over the assets held in its custody account on the custodian's custody account application. Clients may impose restrictions on this discretion, which limitations are included in the investment management agreement and/or guidelines for their accounts. For example, the investment management agreement and/or guidelines may specify the types of investments permitted for the account and place limits on the amount of investments in issuers or industries that GBS may purchase for the account.

Item 17: Voting Client Securities

GBS handles proxy voting only when its clients provide that authority. Where GBS has proxy voting authority over client securities, GBS seeks to vote proxies related to securities held in client accounts in a manner that serves the best interests of its clients in accordance with its proxy voting policies and procedures. In voting securities held in a client account, GBS will attempt to resolve any conflict of interest between the client and GBS' business interests in the way that will most benefit the client.

If a client wishes to direct GBS' vote in a particular proxy solicitation, the client must contact GBS sufficiently in advance of the applicable meeting giving rise to the vote.

Upon request GBS will provide clients with a copy of its proxy voting policies and procedures as well as information on how GBS voted proxies of securities held in such client's accounts.

Item 18: Financial Information

This item requires disclosure of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Currently, there is no financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.