

**Helvetia Investment Advisors (HIA)
Firm Brochure ADV Part 2A**

April 2014

Item 1. Cover Page:

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

If you have any questions about the contents of this brochure, please contact us by telephone at +41 (0) 91 913 4000 or by e-mail at info@helvetia-ia.com.

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

Item 2. Material Changes:

No changes, this is the first ADV edition

Helvetia Investment Advisors SA
Via Ariosto 1
6900 Lugano, Switzerland
Phone: +41 (0) 91 913 4000
Fax: +41 (0) 91 91 913 4009
www.helvetia-ia.com

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Item 4. Advisory Business:

Firm Description

Helvetia Investment Advisors SA (“HIA” or “the Firm” or “we”), a Swiss corporation based in Lugano, Switzerland, provides investment advisory services to clients resident in the United States (“US”). HIA also serves US taxpayers or dual citizens living outside the US and in certain cases may work with clients who are not resident in the US or US taxpayers. HIA started up operations in early 2014 in Lugano.

Principal Owner

The principal owner of Helvetia Investment Advisors SA is **Goldberg Capital Partner Ltd Hong Kong**

Services

HIA provides wealth management solutions to high net worth and ultra high net worth clients, and it offers both discretionary asset management and nondiscretionary investment advisory services. Each client’s assets are managed in a separate account (an “Account”) maintained at a third-party financial institution. HIA’s client portfolios are diversified across a variety of asset classes, including cash, non-US dollar currencies, defensive strategies in marketable securities, growth strategies in marketable securities, and, in certain cases, private investments. Accounts may include, without limitation: equity securities, fixed income securities, limited partnership interests, mutual funds, exchange traded funds, hedge funds, options, structured product investments and other alternative investments consistent with a client’s suitability, his or her overall investment strategy, and his or her risk tolerance. Generally, client investments are concentrated in non-US securities consistent with most clients’ objective of obtaining jurisdictional diversification from the US. Whilst generally HIA makes investments with a longer time horizon, HIA may recommend changes to allocations in an attempt to take advantage of conditions in the current economic environment whilst being sensitive to transaction costs and taxes, as applicable. Such allocation changes may involve short-term underweight or overweight positions to various asset classes designed to capitalize on current economic conditions over the short-term. HIA’s advice is limited to the types of securities and transactions as set forth in Item 8.

Discretionary Asset Management

HIA offers discretionary asset management services whereby HIA has the authority to supervise and direct the investments of and for each client’s Account without prior consultation with the client. HIA determines the securities that are bought and sold for the client’s Account and the total amount of the purchases and sales. HIA’s authority may be subject to conditions imposed by individual clients as set forth and agreed upon in the investment management agreement entered into between HIA and the client. For example, a client may restrict or prohibit transactions in certain types of securities. HIA seeks to obtain a rate of return consistent with each client’s objectives, risk tolerance, future liquidity requirements and potential tax and legal restrictions. Generally, HIA manages each client’s portfolio in line with model portfolios constructed by the investment committee of the firm. However, these model portfolios serve only as a general guide and not every client’s portfolio will replicate the model portfolio as a result in differences in client risk tolerance, tax ramifications, client specifications, liquidity and timing.

Nondiscretionary Investment Advisory

For clients who desire a nondiscretionary investment advisory service, HIA offers investment advice similar to its discretionary asset management service in a nondiscretionary mandate whereby prior consultation and client approval is required before HIA purchases or sells any security. HIA works with its nondiscretionary clients to define their investment objectives and consults with each client on a regular basis with investment suggestions in line with the defined objectives.

Other Services

Occasionally, HIA is requested by clients to perform additional services such as providing advice on real estate acquisitions. In such particular cases, HIA will charge for its additional services on an hourly basis depending on time and expertise required.

Wrap Fee Programs

HIA does not participate in wrap fee programs.

Assets Under Management

HIA managed approximately \$ 0 in both a discretionary basis and US\$ 0 on a nondiscretionary for a total of US\$ 0 as of April, 2014.

Item 5. Fees and Compensation:

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

AUM/ AUA (CHF or equivalent) Fee

0 – 2,000,000 0.75% p.a.

2,000,001 – 10'000'000 0.50% p.a.

10,000,001 -25'000'000 0.30% p.a.

From 25,000,001 Negotiable

Compensation is not payable in advance. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any relationship, accrued, unpaid fees will be due and payable. HIA may waive, discount and/or negotiate fees at its discretion. HIA may also charge additional fees for services outside the scope of the services described above. Any additional fees are disclosed and agreed to by the client. HIA generally relies on the custodian bank to value the assets in each client's Account. HIA typically will arrange with the custodian for the direct payment of its fees from the client's Account. HIA sends clients quarterly statements indicating the amount of the advisory fee and the account value on which the advisory fee was based. In addition to the fees charged directly to each client's Account described above, HIA may receive indirect compensation from time-to-time in the form of placement fees, discounts, finder's fees or distribution fees from third parties based on the investments HIA makes or recommends. For example, certain mutual or private funds may pay a fee to HIA for investing Client portfolios in such fund. A client must acknowledge and agree in the investment advisory agreement with HIA that such indirect compensation belongs to HIA. The receipt and potential to receive such indirect compensation creates a material conflict of interest for HIA and its clients. HIA has an incentive to recommend investment products based on the compensation HIA will receive rather than based on each client's needs. Thus, HIA is not always impartial with respect to its investment recommendations. Further, HIA generally does not inform its clients of the receipt of indirect compensation. HIA seeks to minimize this conflict of interest by limiting the amount of indirect compensation it will receive on an annual basis to no more than 1.5% of the AUM or AUA of each client's portfolio. To the extent that HIA receives indirect compensation in excess of this cap, HIA will credit the respective client's Account with such additional amount. Further, if asked by the client, HIA agrees to disclose indirect compensation it receives in relation to the client's Account as is reasonably practical (in certain cases, it is difficult to apportion indirect compensation paid without reference to a specific Account to a particular client).

Clients generally have the option to purchase investment products that HIA recommends through agents or brokers whereby HIA would not receive indirect compensation.

Other fees and expenses you may incur

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

Item 6. Performance-Based Fees & Side-by-Side Management:

Performance-Based Fees

HIA may also offer performance based fees with qualified clients in the future subject to individualized agreements. To the extent HIA enters into a performance or incentive fee arrangements, it will do so in accordance with Section 205(a)(1) of the Advisers Act and Rule 205-3. Only clients who meet the following requirements may opt for the performance based fee scheme: (i) clients with at least US\$ 5,000,000 under management with HIA; (ii) clients with more than US\$ 10,000,000 of net worth, excluding the value of the primary residence and certain debt secured by the property; or (iii) clients who are qualified purchasers under Section 2(a)(51) of the Investment Advisors Act of 1940, as amended (which generally is defined to include only individuals with more than US\$ 5,000,000 in investments or an entity such as corporations, trusts, partnerships, or institutional investor that own and invest on a discretionary basis at least US\$ 25 million in investments). HIA potentially can receive higher fees with a performance based compensation structure than from those accounts that pay the asset based fee schedule described above. To minimize this conflict, HIA generally will enter into a performance fee arrangement upon the request of a client or in the case of specific investment performance objectives. HIA does not manage or advise accounts based on commissions or subscription fees.

Side-by-Side Management

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

Side-by-side management of different types of accounts may raise conflicts of interest when two or more accounts invest in the same securities or pursue a similar although not identical strategy. These potential conflicts include the favorable or preferential treatment of an account or a group of accounts, conflicts related to the allocation of investment opportunities, particularly with respect to securities that have limited availability, such as initial public offerings, and transactions in one account that closely follow related transactions in a different account. In addition, the results of the investment activities for one account may differ significantly from the results achieved for other accounts, particularly if HIA individually tailors clients' Accounts. HIA has policies and procedures in place aimed to ensure that all client Accounts are treated fairly and equitably. HIA strives to equitably allocate investment opportunities among relevant Accounts over time. In addition, investment decisions for each Account are made with specific reference to the individual needs and objectives of the Account. Accordingly, HIA may give advice or exercise investment responsibility or take other actions for some clients (including related persons) that may differ from the advice given, or the timing and nature of actions taken, for other clients. Investment results for different Accounts, including Accounts that are generally managed in a similar style, also may differ as a result of these considerations.

Some clients may not participate at all in some investments in which other clients participate, or may participate to a different degree or at a different time.

Item 7. Types of Clients:

HIA offers investment management services to high net worth individuals and their foundations and trusts, estates, holding companies or other estate planning structures. HIA also provides advisory or sub-advisory services to other investment advisers. Generally, HIA prefers its client relationships to have a minimum of CHF1,000,000 of AUM or AUA. HIA may accept Accounts below the minimum requirements, or may retain Accounts that have dropped below the minimum requirement due to market fluctuation or investment performance. Accounts that have family, corporate, or other relationships may be aggregated for purposes of the minimum account size.

Item 8. Methods of Analysis, Investment Strategies & Risk of Loss:

Methods of Analysis

HIA utilizes a disciplined investment process supported by quantitative tools for stock selection, portfolio construction, and portfolio risk control, as well as fundamental research for its investment strategies. HIA employs a research based bond selection process utilizing fundamental credit research performed internally with a macroeconomic overlay and supplemented by third-party independent research providers.

Investment Strategies

The investment strategies used to implement investment advice given to clients by HIA include long and short term securities purchases, trading, margin transactions and option writing, including covered options, uncovered options or spreading as well as qualified diversification in the international Foreign Exchange environment

Types of Securities

HIA offers investment management and advisory services on the following types of securities and transactions: exchange-listed securities, securities traded over-the-counter, securities issued by non-US issuers, corporate debt securities (and other commercial paper), certificates of deposit, investment company securities such as mutual funds, U.S. or foreign government securities, exchange traded funds, foreign exchange transactions, certain derivatives or structured products, and in certain cases private fund investments. Some of these securities, particularly those issued outside of the US, may not be registered with the SEC. HIA is able to invest clients on a discretionary basis in securities offered outside the US to non-US investors in reliance on Regulation S under the Securities Act 1933. Investments in private funds or structured products may be limited to “accredited investors” or “qualified purchasers,” and may require investors to lock-up their assets for a period of time. These investments may have limited or no liquidity, and they may involve different risks than investing in registered funds and other publicly offered and traded securities. In the context of a discretionary mandate, HIA may invest client Accounts into such securities without client consent. HIA will rely on the accuracy of a client’s representations in making corresponding representations regarding the investment restrictions on behalf of a client’s Account in connection with certain derivative, private fund or other similar investments with qualification restrictions. HIA requires notification by the client if the client’s representations become inaccurate.

Material Investment Risks

Clients should bear in mind that investing in securities involves a risk of loss. Clients should be prepared to bear the risk of losing their investment in securities. Past performance is not an indication as to future results. Among other risks, all investments made by HIA will be subject to market risk, liquidity risk, and interest rate risk, and may be

subject to credit and counterparty risk, risk in fluctuations of commodity pricing, risk of loss due to political and economic developments in foreign markets, and risks involving movements in the currency markets.

Market Risk

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

Risk Related to Equity Investments

Investments in equity securities generally involve a high degree of risk. Prices are volatile and market movements are difficult to predict. These price movements may result from factors affecting individual companies or industries. Price changes may be temporary or last for extended periods. The value of specific equity investments generally correlates to the fundamentals of each particular security, but prices of equity investments may raise or fall regardless of fundamentals due to movements in securities markets.

Risks Related to Fixed Income Investments

Investments in fixed income securities (*i.e.*, bonds) represent numerous risks such as credit, interest rate, reinvestment, and prepayment risk, all of which affect the value of the security and volatility of such value. In general, bonds with longer maturities are more sensitive to price changes. Additionally, the prices of high yield, fixed-income securities fluctuate more than high quality debt issues. Prices are especially sensitive to developments affecting the company's business and to changes in the ratings assigned by rating agencies. Prices are often closely linked with the company's stock prices. High yield securities can experience sudden and sharp price swings due to changes in economic conditions, stock market activity, large sales by major investors, default, or other factors. Developments in the credit market may have a substantial impact on the companies we may invest in and will affect the success of such investments. In the event of a default, the investment may suffer a partial or total loss.

Risks Related to Investments in Funds

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

Risks related to Structured Products & Derivatives

HIA may invest in structured products or derivatives or invest in Funds that hold investments in structured products or derivatives. In addition to the risks that apply to all investments in securities, investing and engaging in derivative

instruments and transactions may involve different types of risk and possibly greater levels of risk. These risks include, but are not limited to the following:

Leverage

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

Counterparty Credit Risk

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

Lack of Correlation

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

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

Less Accurate Valuation

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

Risks Relating to Foreign Currency Exposure

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

Non-U.S. Investments

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

Item 9. Disciplinary Information:

HIA has not been involved in any legal or disciplinary event.

Item 10. Other Financial Industry Activities and Affiliations:

HIA management personnel are neither registered, nor have an application pending to register as, broker-dealers, registered representatives of a broker-dealer, future commissions merchants, commodity pool operators, commodity trading advisors, or associated persons of the foregoing entities. HIA is a member of L'Organismo di Autodisciplina dei Fiduciari del Cantone Ticino (OAD FCT), which is a Swiss self-regulatory organization recognized by the Swiss Financial Market Supervisory Authority (FINMA) as a professional association empowered to issue rules of conduct in the contest of asset management. HIA is part of **Goldberg Capital Partner Ltd Hong Kong**, which owns an investment adviser, **Goldberg Capital Partner Ltd (Swiss Branch)**, serving non-US clients. HIA shares physical space and supervised personnel with its affiliates. HIA does not believe any of its related companies present a conflict of interest for the clients of HIA. HIA does not recommend or select other investment advisers for its clients.

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

HIA seeks to minimize conflicts of interest and resolve those conflicts of interests in favor of its clients to the extent it determines reasonable and necessary in accordance with its Code of Ethics. HIA recognizes that indirect compensation it receives presents a conflict of interest as described elsewhere in this brochure.

Code of Ethics

HIA treats all clients equitably and has a duty to act in its clients' best interests. Except as otherwise described in this brochure, the interests of clients will be placed above HIA's interests in case of any conflict. HIA has adopted a Code of Ethics (the "Code") and attendant policies and procedures governing personal securities transactions by HIA and its personnel. The Code also provides guidance and instruction to HIA and its personnel on their ethical obligations in fulfilling its duties of loyalty, fairness and good faith towards the clients. The overriding principle of HIA's Code of Ethics is that all employees of HIA owe a fiduciary duty to clients for whom HIA acts as investment adviser or sub-adviser. Accordingly, employees of HIA are responsible for conducting personal trading activities in a manner that does not interfere with a client's portfolio transactions or take improper advantage of a relationship with any client. The Code contains provisions designed to try to: (i) prevent, among other things, improper trading by HIA's employees; (ii) identify conflicts of interest; and (iii) provide a means to resolve any actual or potential conflicts of interest in favor of the clients. The Code attempts to accomplish these objectives by, among other things: (i) requiring pre-clearance of specific trades, which includes documenting any exceptions to such preclearance requirement; (ii) restricting trading in certain securities that may cause a conflict of interest, as well as (iii) periodic reporting regarding transactions and holdings of employees. The Code contains sections including, but not limited to, the following key areas: (i) restrictions on personal investing activities; (ii) gifts and business entertainment; and (iii) outside business activities. The Code also provides for HIA's execution of supervisory policies and procedures, and the review and

enforcement processes of such policies and procedures. HIA has designated a Chief Compliance Officer responsible for maintaining, reviewing and enforcing HIA's Code of Ethics and corresponding policies and procedures. The fundamental position of HIA Advisors is that, in effecting personal securities transactions, personnel of HIA Advisors must place at all times the interests of clients ahead of their own pecuniary interests. All personal securities transactions by these persons must be conducted in accordance with the Code of Ethics and in a manner to avoid any actual or potential conflict of interest or any abuse of any person's position of trust and responsibility. Further, these persons should not take inappropriate advantage of their positions with or on behalf of a client. If a person subject to the Code of Ethics fails to comply with the Code, such person may be subject to sanctions, which may include warnings, disgorgement of profits, restrictions on future personal trading, and, in the most severe cases, the possibility of dismissal. HIA will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

Although HIA does not hold proprietary positions, HIA's related persons may own, buy, or sell for themselves the same securities that they or HIA have recommended to clients. Thus, from time to time, a client Account may purchase or hold a security in which a related person of HIA has financial interest or an ownership position, or a related person may purchase a security that is held in a client Account. Also from time to time, HIA employees or related persons may invest alongside the firm's clients, both to align the interest of firm and personnel and firm clients and as an expression of confidence in our portfolio management efforts. In order to ensure that HIA personnel never trade ahead of their clients, the firm requires all trading in specific positions for officer and employee accounts to come after the analogous trades are executed for client accounts. Firm personnel communicate freely and frequently among themselves in order to ensure the application of these fundamental restrictions.

Item 12. Brokerage Practices:

HIA's clients primarily open Accounts at custodian banks in Switzerland and Europe. Each client may select the bank for his or her Account. HIA does not select custodial banks on a client's behalf. Each custodian bank has its own policies and procedures relating to brokerage. In cases where the custodial bank requires HIA to route securities orders through the trading desk of the bank, then HIA will not have discretion in selecting the broker-dealer and the client should be aware of the incumbent risks associated with such arrangement. In cases where the custodial bank will settle with third-party broker-dealers, then HIA will select the broker-dealer as described in this Item 12. In such cases, the Swiss custodian bank will settle trades with delivery against-payment model.

HIA Selection of Broker-Dealers

When the custodian bank permits HIA to select the broker-dealer, HIA will route securities orders to purchase and sell securities for those client Accounts held at the bank to independent brokers and dealers. In selecting brokers and dealers to effect client transactions, HIA attempts to obtain for clients: (i) the prompt execution of client transactions while market conditions still favor the transaction, and (ii) the most favorable net prices reasonably obtainable. This is called "best execution." In placing orders to purchase and sell equity securities, HIA selects brokers that it believes will provide the best overall qualitative execution given the particular circumstances. A broker may provide more favorable terms and a higher quality of service to customers who place a higher volume of transactions through that broker. Accordingly, to obtain the benefits of higher volume trading for clients, we may place a large portion of client equity transactions through a limited number of brokers that meet HIA's quality standards. When selecting a new equity broker, HIA conducts a due diligence review of the broker to evaluate whether the broker is likely to provide best execution. We may consider any of the following factors:

- The ability of the custodian bank to settle transactions with the broker.

- The quality of services provided (including commissions, which may not be the lowest available but which ordinarily will not be higher than the generally prevailing competitive range).
- The extent of coverage of the various markets HIA trades in.
- The broker's ability to communicate effectively with HIA.
- The broker's ability to execute and settle difficult trades.
- Whether or not the broker offers lower cost electronic trading.
- The broker's clearance and settlement efficiency.
- Whether or not the broker can handle HIA's range of order sizes.
- The broker's ability to maintain confidentiality and anonymity.
- The reputation of the broker.
- The stability and financial strength of the broker.

Due to the fact HIA is based in Switzerland and many of the securities purchased are non-US securities, the brokers used by HIA may not be registered with the SEC under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). HIA's Chief Compliance Officer reviews the due diligence performed and approves or rejects the selection of each broker. On a regular basis, HIA monitors the services provided by the approved brokers, the quality of executions and research, commission rates, the overall brokerage relationship, and any other issues. HIA will periodically reconsider whether placing a large portion of client trades through a particular broker continues to be in the best interest of our clients. Fixed income securities (*i.e.* bonds) are generally traded in an over-the-counter market. In this market, bond dealers place bids and make offers to buy and sell bonds on a net basis with no stated commission plus accrued interest. Any commission or net mark-up is implied by the difference or "spread" between the price the dealer purchases the bond for and the price at which the dealer sells the bond. A new issue bond is sold to purchasers at a net price with a fixed sales credit paid to the underwriter by the issuers of the bond. HIA maintains an approved list of fixed income trading partners. On a regular basis, HIA monitors its relationships with dealers.

Brokers Selected by the Custodian Bank

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

Client Directed Brokerage

A client may direct HIA to use a particular broker or dealer who has an existing relationship with or provides custodial or other services to a client. HIA requires any directed brokerage instructions to be in writing unless such arrangement is inferred in the context of the custodian's brokerage limitations. Generally, all Swiss custodian banks require use of their broker, and as a result, HIA treats such arrangements as client directed brokerage because the client selects the custodian bank. Before choosing to enter into a directed brokerage arrangement, clients should be aware of the following disadvantages:

- HIA will not be able to negotiate commission rates with the designated broker because we will not have the negotiating leverage that results from the ability to trade away from a designated broker.

- Directed brokerage may cost clients more money. Directed brokerage clients may pay higher commission rates than those paid by other clients, may receive less favorable trade executions and may not obtain best execution on their transactions.
- Directed brokerage accounts will not be able to participate in aggregated or block transactions with other clients. This will preclude directed brokerage accounts from obtaining the volume discounts or more favorable terms that might be available from aggregated transactions.
- If HIA is placing orders in the same security for both directed brokerage clients and clients that use other brokers, HIA usually place orders for directed brokerage clients after it has placed orders for other clients.

Block Trades

HIA generally will combine orders into block trades when purchasing the same security for multiple client Accounts. Such aggregated orders (“block trades”) will be pre-allocated among the participating client Accounts. Participating Accounts in a block trade placed with the same broker or the same custodian bank generally will receive an average price and pay a pro rata share of any transaction costs. Partial fills of transactions will be allocated on a pro rata share basis. Because HIA’s clients maintain Accounts at different custodian banks and because many of these custodian banks mandate the use of a specific broker (see description above), often HIA places more than one block trade for the same security with more than one broker. HIA transmits such block trades to more than one broker in a random pattern (*i.e.*, HIA does not favor one custodian bank or broker over another with respect to the order in which block trade orders are sent). The average price realized on a securities order placed with different brokers will vary broker to broker, and clients generally will receive different average prices and transaction costs for the same security order depending upon the custodian bank and the respective broker used in the block trade. Also note, since most Swiss custodian banks warehouse securities orders until filled, there may be delays in settlement between client Accounts depending on the practice of the respective custodian bank and/or broker.

Decision Making Process; Balancing the Interests of Multiple Client Accounts In making the decision as to which securities are to be purchased or sold and the amounts thereof, HIA is guided by the general guidelines set up at the inception of the adviser-client relationship in cooperation with the client and a periodic review of the asset allocation. These general guidelines cover such matters as the relative proportion of debt and equity securities to be held in the portfolio, the degree of risk that the client wishes to assume and the types and amounts of securities to be held in the portfolio. HIA’s authority may be further limited by specific instructions from the client, which may restrict or prohibit transactions in certain securities. HIA may manage numerous accounts with similar or identical investment objectives or may manage accounts with different objectives that may trade in the same securities. Despite such similarities, portfolio decisions relating to client investments and the performance resulting from such decisions may differ from client to client. HIA will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible clients, particularly if different clients have selected different investment profiles, have materially different amounts of capital under management with HIA or different amounts of investable cash available. In certain instances such as purchases of less liquid publicly traded securities or oversubscribed public offerings, it may not be possible or feasible to allocate a transaction pro rata to all eligible clients, especially if clients have materially different sized portfolios. Therefore, not all clients will necessarily participate in the same investment opportunities or participate on the same basis.

Use of Soft Dollars

HIA may maintain soft dollar arrangements, and to the extent it does it will only do so in accordance with the conditions of the safe harbor provided by Section 28(e) of the Exchange Act. Section 28(e) is a “safe harbor” that permits an investment manager to use brokerage commissions or “soft dollars” to obtain research and brokerage

services that provide lawful and appropriate assistance in the investment decision making process. Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultant's advice on portfolio strategy; data services (including services providing market data, company financial data, certain valuation and pricing data and economic data); and advice from brokers on order execution. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations..

Trade Errors

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

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

Item 13. Review of Accounts:

All accounts are reviewed at least quarterly in an effort to ensure that they remain aligned with the client's investment plan and are positioned appropriately given current market conditions as part of HIA's general investment process.

Item 14. Client Referrals and Other Compensation:

HIA may pay fees for client referrals. Such arrangements comply with the conditions and requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940. HIA may receive remuneration from third parties in connection with its investment advisory services. Such remuneration can include referral fees, marketing fees, discounts, finder's fees, service fees, including shareholder service fees, 12b-1 fees or bonus commissions paid by mutual funds, privately offered funds, insurance products, variable annuities or other investment products paid to HIA for recommending an investment, for investing client funds in such product or for marketing assistance or the performance of certain administrative tasks associated with making an investment. Please refer to the discussion of the conflict of interest presented by such remuneration in Item 5. HIA's employees or associated persons may be invited to attend seminars and meetings with the costs associated with such meetings borne by a sponsoring brokerage firm or other party

extending the invitation.

Item 15. Custody:

HIA typically is given authority to have its fees directly deducted from a client's account. Consequently, HIA is deemed to have custody of such funds. HIA has established procedures to ensure the client's account is held at a qualified custodian in a separate account for each client. The client establishes the bank account directly and therefore is aware of the qualified custodian's name, address and the manner in which investments are maintained. Account statements are prepared by the custodian bank. Generally, these statements include a listing of all valuations and all transactions occurring during the period. HIA also may provide performance information to advisory clients about the client's performance, which may also include a reference to a relevant market index or benchmark. HIA may provide reports analyzing the sources of each account's performance, including customary performance attribution and risk

measurement statistics such as standard deviations, Sharpe ratios, deviations from benchmark returns, and investments that had the largest positive and negative impacts on performance.

Item 16. Investment Discretion:

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

Item 17. Voting Client Securities:

Proxy Voting

HIA generally does not have the authority to vote client proxies. Clients make arrangements directly with their custodian to vote proxies for securities or where proxy or other solicitation materials have to be sent to. If HIA inadvertently receives any proxy materials on behalf of a client, HIA will promptly forward such materials to the client. HIA will exercise investment authority for certain corporate actions (such as, but not limited to tenders, rights offerings, splits etc.) in connection with discretionary accounts. For advisory clients, corporate actions are discussed with them prior to the event taking place. Clients who have questions about proxies may contact HIA for further information. Class Actions HIA does not direct client participation in class action lawsuits. HIA will determine whether to return any documentation inadvertently received regarding clients' participation in class actions to the sender, or to forward such information to the appropriate clients. HIA will not advise or act on behalf of clients in any legal proceeding, including bankruptcies or securities shareholder class action litigation involving securities held or previously held in client accounts. Accordingly, HIA is not responsible for responding to, or forwarding to clients, any class action settlement offers relating to securities currently or previously held in the client account.

Item 18. Financial Information

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

