

**GUGGENHEIM PARTNERS LATIN AMERICA, INC.**

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**March 31<sup>st</sup>, 2015**

This brochure provides information about the qualifications and business practices of Guggenheim Partners Latin America, Inc. (“GPLA” or the “Adviser”). If you have any questions about the contents of this brochure, please contact us at (305) 373-8033. 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 GPLA also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Once you locate this web address, you can search for information on GPLA by using a unique identifier known as a CRD number.

GPLA is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

**The CRD number for GPLA is 152104.**

## **Item 2 – Material Changes**

On October 12, 2010, amendments to Form ADV previously adopted by the United States Securities and Exchange Commission (“SEC”) became effective and amended the disclosure document that we provide to clients as required by SEC rules. This brochure dated March 27, 2015 is prepared according to the SEC’s new requirements and rules.

This Brochure has material updates from the Brochure of Guggenheim Partners Latin America, Inc. (“GPLA”) dated March 24, 2014. On December 31, 2014, ownership of GPLA was transferred from ABS Advisor Holding, LLC to LJGP Limited.

Currently, our brochure may be requested by contacting the Chief Compliance Officer at:  
[adm@l-jgroup.com](mailto:adm@l-jgroup.com).

### Item 3 -Table of Contents

Item 2 – Material Changes.....	2
Item 3 - Table of Contents .....	3
Item 4 – Advisory Business.....	4
Item 5 – Fees and Compensation.....	5
Item 6 – Performance-Based Fees and Side-By-Side Management .....	6
Item 7 – Types of Clients .....	6
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	6
Item 9 – Disciplinary Information .....	7
Item 10 – Other Financial Industry Activities and Affiliations .....	7
Item 11 – Code of Ethics .....	8
Item 12 – Brokerage Practices .....	8
Item 13 – Review of Accounts .....	9
Item 14 – Client Referrals and Other Compensation .....	10
Item 15 – Custody .....	10
Item 16 – Investment Discretion .....	10
Item 17 – Voting Client Securities .....	10
Item 18 – Financial Information .....	11

## **Item 4 – Advisory Business**

**A.** Guggenheim Partners Latin America, Inc. (“GPLA”) is an investment adviser registered with the U.S. Securities and Exchange Commission, and is a venture formed in 2010 by Guggenheim Partners, LLC and certain former senior management of Guggenheim Investment Advisors, LLC.

GPLA is owned by LJGP Limited, a venture partly owned by ABS Advisor Holding LLC, which is owned by Pablo Stalman and Juan Ball and by Luxac Sarl, which is majority owned by Antonio Champalimaud, ABS Holding Ltd, owned by Pablo Stalman and Juan Ball, CRS Sarl, owned by Luxac Sarl, and other minority shareholders.

**B.** GPLA offers comprehensive investment advisory services, including investment strategy and implementation, asset allocation, investment manager selection and reporting. GPLA provides such advisory services on both discretionary and non-discretionary bases.

GPLA can execute trades or recommendations on behalf of a Client (as defined in Item 7 below) if a limited power of attorney (“LPOA”) has been granted by the Client to GPLA.

GPLA assists each Client in establishing investment objectives, return expectations and risk tolerance (“Client Profile”). Based on Client Profiles, GPLA may offer investment supervisory services regarding the following:

- Equity securities: Exchange listed, over-the counter and foreign securities.
- Exchange Traded Funds
- Warrants
- Options contracts on securities and commodities
- Futures and Forward contracts
- Government Securities
- Corporate debt securities and commercial paper
- Certificates of deposit
- Municipal Securities
- Investment Company Securities
- Private Equity Funds, Hedge Funds, and other similar collective investment vehicles.

### **Investment Manager Selection, Monitoring and Due Diligence Services**

GPLA may recommend that a Client allocate a portion of their Portfolio (as defined in Item 8 below) in hedge funds, private equity, real estate or other funds (each, a “Managed Fund”), which are managed by a third-party manager (a “Fund Manager”).

GPLA identifies potential Fund Managers for Client Portfolios through networks established by employees of GPLA and its affiliates as well as through periodicals, directories and databases containing information about investment managers. After a potential Fund Manager is identified, GPLA will perform investment due diligence on the Fund Manager and its key personnel through a variety of methods, including but not limited to, a review of the manager’s offering documents, SEC or other regulatory filings (if applicable), and interviews with the manager’s personnel (both principals and staff).

GPLA conducts on-going reviews and analyses of each Fund Manager’s investment performance, including adherence to its investment strategy, guidelines or restrictions.

## **Performance Measurement and Reporting**

On a monthly basis, GPLA provides Clients with a performance report (a “Performance Report”), detailing the Clients’ Portfolio performance and may compare such performance to benchmarks or indices. If requested by a Client, GPLA can include in the Performance Report information on assets that are not in their Portfolio. The inclusion of such information may result in an additional fee to the Client.

GPLA uses third-party software for record keeping, performance calculation and reporting. Performance Reports are prepared by GPLA using data provided by custodians, investment managers and independent pricing services.

## **Non-advisory Services**

GPLA may offer non-advisory services to its Clients, including coordination of legal-related and strategic business planning, wealth transfer planning, estate planning, research on trustee placement and multi-generational education planning, among others.

**C.** GPLA tailors its services to the individual needs of each Client, based on each Client’s unique circumstances.

**D.** GPLA does not offer a wrap fee program.

**E.** As of December 31, 2014, GPLA had \$2,181,806,000 in assets under management; \$2,181,806,000 on a non-discretionary basis and \$112,890,000 on a discretionary basis.

## **Item 5 – Fees and Compensation**

**A.** GPLA charges Clients a management fee (a “Management Fee”) for advisory services provided, including the review and reporting services described herein. The Management Fee is established at the time the investment advisory agreement is signed and is defined in the investment advisory agreement. Generally, the Management Fee is expressed as a percentage of the value of the assets under management, typically 1.00% per annum.

The Management Fee is negotiable and depends on the types of assets included in a Client’s Portfolio, the complexity and size of the Portfolio, the services to be provided and other factors. Accordingly, the Management Fee for any given client may be higher or lower than for any other Client. Under certain circumstances, the Management Fee may be structured as percent of assets under management plus a performance fee, subject to compliance with Investment Advisers Act Rule 205-3 for qualified clients. In general, a typical performance fee will be based on the appreciation in a Client's account in excess over an agreed hurdle rate.

**B.** GPLA bills Clients directly for Management Fee, typically quarterly in arrears. Performance fees, if any, are billed and payable yearly in arrears.

**C.** The Management Fee represents the fee for the services described above, payable to GPLA. It does not include, among other things, managed fund or mutual fund fees that may be payable under the terms of the applicable fund, fees included or embedded in structured products, brokerage fees, custodial fees or the cost of insurance or other third party fees.

**D.** GPLA bills in arrears, and does not require any payments in advance.

**E.** GPLA does not seek any fees or commissions from third parties with respect to Client transactions. In the limited circumstances where GPLA receives any such amounts with respect to a Client or Client transaction, GPLA transfers such compensation to the Client's account. Neither GPLA nor its personnel receive transaction-based compensation for the sale of securities to clients.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

As discussed in Item 5 above, for some Clients a performance-based fee may also be included in addition to the Management Fee. The amount of the performance fee may vary, depending on the Management Fee and the size of the account.

Typically, the performance fee will be calculated as a percent of Average Capital Base, and payable once per year in the event that the Client's account experiences an appreciation during the year above a pre-established threshold.

### **Item 7 – Types of Clients**

GPLA generally provides investment advisory services to high net worth individuals, trusts, estates, foundations, corporations or other business entities (each a "Client") that have a net worth of at least \$20 million and a minimum of \$10 million of investable assets. GPLA in its sole discretion may accept Clients or accounts with less assets.

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

GPLA gathers and analyzes Client information, such as investment objectives, experience, financial circumstances, and risk tolerances. GPLA evaluates a Client's attitude toward risk and works to create a portfolio that addresses the Client's investment objectives and risk tolerance ("Portfolio").

**A.** Based on a Client's risk assessment and preferences, assets are allocated across traditional asset classes and assets types, and individual investments. In selecting the individual investments, GPLA's methods of analysis include:

1. **Fundamental analysis:** involves the analysis of national accounts and financial statements, the general financial health of economies or companies.
2. **Qualitative and Quantitative Manager selection process:** involves a four tiered process to assess the viability of inclusion of a Fund Manager (Long Only or Hedge fund) to a

recommended list for eventual inclusion in Client Portfolios depending on each Client's risk profile.

3. **Technical analysis:** involves the analysis of past market data; primarily price and volume.
4. **Cyclical analysis:** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security and or asset class.
5. **Charting analysis:** involves the use of patterns in performance charts. GPLA uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**B.** GPLA reaches Client's asset allocation goals through long term trading, while selectively using short term trading and options strategies (including writing covered options, uncovered options, or spreading strategies) for tactical reallocations. GPLA utilizes investment strategies that are designed to capture return and risk in line with each Client's specific risk profile.

*Frequent trading, can affect investment performance, particularly through increased transaction costs. Option writing generally holds greater risk and Clients should be aware that there is a chance of material risk of loss using any of those strategies.*

**C.** GPLA does not primarily recommend any particular type of security.

#### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of GPLA or the integrity of GPLA's management. GPLA has no information applicable to this item.

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

**A.** Neither GPLA nor any of its management persons are registered representatives of a broker/dealer or have an application pending as such.

**B.** Neither GPLA nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entity.

**C.** GPLA's related persons may buy or sell investment securities that may, from time to time, be recommended to Clients. To the extent that these business practices raise conflicts of interest, they are addressed in GPLA's Code of Ethics.

In providing advisory services, GPLA may from time to time, recommend to Clients products or services offered by one or more of its affiliates. Such affiliates may receive remuneration, which may be separate and in addition to any Management Fees received by GPLA. Consistent with its internal policies and procedures, GPLA will advise Clients of any such compensation structure at the time the recommendation is made.

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

**A.** GPLA has adopted a code of ethics (“Code of Ethics”) pursuant to Investment Advisers Act Rule 204A-1. The Code of Ethics applies to all employees and is designed to address conflicts of interest arising in relation to the purchase or sale of securities recommended to Clients for investment in Portfolios which may also be bought or sold by employees. It is also designed to detect and prevent the misuse of material, nonpublic information.

The Code of Ethics requires, among other things, employees to provide an annual report of securities holdings and quarterly reports of securities transactions, to pre-clear transactions in limited, private or initial public offerings, and to report all outside business interests. A copy of GPLA’s Code of Ethics is available upon request for Clients and prospective Clients by contacting the Chief Compliance Officer at [adm@l-jgourp.com](mailto:adm@l-jgourp.com).

GPLA has adopted the following principles governing personal investment activities by Supervised Persons:

- The interests of Client accounts must be placed first;
- All personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest; and
- Supervised Persons must not take inappropriate advantage of their positions.

No Supervised Person shall recommend any securities transactions to a Client without having disclosed his or her interest, if any, in such securities of the issuer, including without limitation:

- any direct or indirect beneficial ownership of any securities of such issuer;
- any contemplated transaction by such person in such securities;
- any position with such issuer or its affiliates; and
- any present or proposed business relationship between such issuer or its affiliates and such person or any party in which such person has a significant interest.

## **Item 12 – Brokerage Practices**

GPLA does not participate in soft dollars or directed brokerage transactions.

In order for GPLA to manage a Portfolio, the Client provides GPLA with the name of each institution acting as custodian (a “Custodian”) for assets in the Portfolio, the account number(s) and account contact information, access to account statements and confirmations, and may authorize GPLA to give instructions to such Custodian as needed.

Typically, the Client will receive a monthly brokerage statement from the applicable Custodian reflecting the holdings and activity for that month in the Client’s account.



As a matter of policy, GPLA will usually execute transactions for assets held at a particular Custodian through that Custodian. Based on GPLA's policy of executing Portfolio transactions through the relevant Custodian(s), GPLA considers each Client's designation of a Custodian to be also a direction from the Client to execute transactions with respect to that custodial account through that Custodian. A Client may, of course, direct transactions to another broker-dealer with which it has a relationship and maintains an account.

In connection with any directed brokerage, Clients will bear the cost of execution, typically a commission agreed upon by the Custodian or the broker-dealer and the Client in advance of the transaction. Clients with directed brokerage arrangements are responsible for facilitating the settlement of Client directed transactions. This includes any transactions initiated by Clients directly with a Custodian. GPLA bears no responsibility for determining whether Clients with directed brokerage arrangements receive volume discounts or best execution. However, if GPLA does exercise its authority to select a broker-dealer to execute a transaction, it will do so consistent with its obligation to seek best execution. GPLA does not receive referrals from Client directed broker-dealers.

GPLA does not have any formal or informal arrangements or commitments to utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis

GPLA has a fiduciary duty to seek best execution for client transactions, i.e., not necessarily seeking to obtain the lowest commission but the best overall qualitative execution in the particular circumstances. Best execution has been defined by the SEC as the "execution of securities transactions for clients in such a manner that the clients' total cost or proceeds in each transaction is the most favorable under the circumstances." In the event GPLA exercises its authority to select a broker-dealer to execute a transaction, it will do so consistent with its obligation to seek best execution.

### **Item 13 – Review of Accounts**

**A.** Portfolio Managers monitor Client Portfolios on an ongoing basis. At least one Portfolio Manager and one associate are assigned to each Client. Client Performance Reports are issued on a monthly basis.

**B.** At least quarterly, Portfolio Managers evaluate the performance of Client Portfolios on an absolute, relative and risk-adjusted basis and for compliance with the Client Profile established for the Portfolio. At least annually, the Portfolio Managers will review each Client's Client Profile to confirm that it remains consistent with Client stated goals and objectives.

GPLA encourages ongoing communication between its Clients, Relationship Managers and Portfolio Managers with respect to Client Portfolios.

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

**A.** GPLA does not engage third party advisers to manage its Clients' accounts.

**B.** A Client may be introduced to GPLA by an unaffiliated solicitor or an affiliated solicitor, such as an employee of GPLA or an affiliate. GPLA may pay that solicitor a referral fee in accordance with the Investment Advisers Act Rule 206(4)-3 and other applicable federal and state laws. Any referral fee shall be paid by GPLA and shall not result in any additional charge to the Client.

If the Client is introduced to GPLA by an unaffiliated solicitor, GPLA requires that the solicitor provide the Client with this Brochure and a disclosure statement containing the terms and conditions of the solicitation arrangement between GPLA and the solicitor, including compensation. GPLA requires affiliated solicitors to disclose the nature of their relationship with GPLA to prospective Clients at the time of the solicitation. The referral fee payable to an unaffiliated solicitor may be more than what the solicitor would have received for recommending another investment adviser.

## **Item 15 – Custody**

GPLA does not permit employees to accept, hold, directly or indirectly, client funds or securities, or have any authority to obtain possession of them. GPLA will not intentionally take custody of Client cash or securities.

- Any funds or securities received inadvertently from a Client must be returned to the Client within three business days of receipt.
- Any funds or securities received inadvertently from a third party on behalf of a Client must be returned to the Client or the Client's qualified Custodian within five business days of receipt.

## **Item 16 – Investment Discretion**

On certain accounts, a Client may grant a limited power of attorney ("LPOA") to trade in a particular account to either GPLA or to individual employees of GPLA. Pursuant to an LPOA, GPLA is responsible for placing orders for Clients, and unless otherwise directed, has time and price discretion over orders and will place the order directly with the Client's Custodian.

LPOAs are limited to purchasing and selling securities, and do not authorize GPLA to transfer funds or securities out of any Client account.

## **Item 17 – Voting Client Securities**

GPLA does not have authority to vote proxies or corporate actions with respect to securities in Client Portfolios. Such responsibility remains with the Client.

GPLA will not act for the Client in any legal proceeding, including class actions or bankruptcies, involving a security in any Portfolio or the issuer of any such security, but will forward to the Client

materials GPLA may receive related to any legal proceedings. GPLA will not be liable for any failure to forward these materials to the Client.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about GPLA's financial condition. All GPLA Management Fees are billed and collected in arrears and there is no requirement or solicitation for prepayment of more than \$1,200 in fees per client six months or more in advance and, thus, has not included a balance sheet of its most recent fiscal year. GPLA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.