



EFG Capital Advisors, Inc.

Disclosure Brochure

Part 2 of Form ADV: Uniform Application for Investment Adviser Registration

March, 2017

This Brochure provides information about the qualifications and business practices of EFG Capital Advisors Inc., ("EFGCA"). If you have any questions about the contents of this brochure, please contact Michael Schmidtke at 305-482-8060 or by email at Michael.Schmidtke@efgam.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

EFGCA is registered with the Securities and Exchange Commission ("SEC") as an 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 with which you determine to hire or retain an adviser.

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Additional information about EFG Capital Advisors Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

MATERIAL CHANGES - ITEM 2

As required by the rules and regulations of the Securities and Exchange Commission (“SEC”), EFG Capital Advisors Inc., (hereinafter the “Adviser”) is required to inform our clients of material changes to its business that have occurred since the last update of our firms’ brochure in March 2015.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

There were no material changes since the filing of the amendment to Form ADV last year.

Currently, our Brochure may be requested free of charge by contacting Michael Schmidtke, Chief Compliance Officer at (305) 482-8060.

You may contact us by e-mail at EFGCA-Compliance@efgcapitaladvisors.com for a copy free of charge. Our Brochure is also available on our web site www.EFGCapitalAdvisors.com.

EFG Capital Advisors Inc., (the “Adviser”) does business under the names EFG Capital Advisors. Additional information about the Adviser is also available via the SEC’s website www.adviserinfo.sec.gov. The SEC’s site also provides information about any persons affiliated with EFG Capital Advisors who are registered, or are required to be registered, as investment adviser representatives of the Adviser.

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Item 4 **ADVISORY and SUB-ADVISORY BUSINESS**

Adviser's Advisory Business

EFG Capital Advisors Inc. ("Adviser") is an SEC Registered Investment Adviser. The Adviser provides discretionary and non-discretionary investment management services to individuals and families, high net worth individuals, families, banking institutions, corporations, corporate pension and profit-sharing plans, private investment companies and funds, trusts, estates charitable organizations, and other U.S. and international companies.

Adviser was incorporated in 1988 and is owned by EFG Investment Services Inc. ("EFGIS"), which was established in 1981. EFGIS is a wholly owned subsidiary of a publicly traded company, EFG International, a Swiss private banking and investment management firm.

The Adviser does business under the name of EFG Capital Advisors.

Types of Advisory Services Adviser Offers

Adviser offers customized investment strategies based on the stated investment objectives, risk tolerance and financial circumstances of each client.

Adviser offers discretionary and non-discretionary investment advisory accounts, and recommends a variety of investment vehicles on a discretionary and non-discretionary basis which includes private funds affiliated with and managed by the Adviser (the "EFGCA Funds").

Adviser offers a discretionary investment management program through which client assets are invested according to the investment strategy of the client. Under discretionary management, clients' assets may be invested in equities, fixed income instruments, equity and fixed income mutual funds, real estate and commodity funds, single strategy hedge funds, hedge fund of funds, and private equity funds.

Advisor works with third-party custodians which provide valuations of the investments in client portfolios and provide monthly statements directly to clients.

Adviser advises the EFGCA Funds, on the selection and allocation of assets to outside investment managers for investment management.

Adviser's Sub Advisory Business

Through a sub-investment management agreement with EFG Asset Management (Americas) Corp. ("EFGAM"), Adviser provides discretionary portfolio management services to EFGAM clients that are pursuing the following strategies:

Lower Volatility - Emphasis on generating current income by investing in securities with a lower degree of risk of loss of principal. This objective will typically be pursued through the use of bonds and bond mutual funds. Equities and equity mutual funds and, depending on client eligibility and risk profile, non-income generating alternative investments may also be used.

Customized (Hedge Fund & Alternative Focused) - Emphasis on diversifying risk by allocating capital to hedge fund and other alternative investment managers operating in different asset classes. Invests in securities having a higher degree of risk of loss of principal. May also include equities and equity mutual funds, bonds and bond mutual funds. Client must meet alternative investment eligibility requirements.

Sub-Investment Management Services

Adviser provides a variety of non-discretionary consulting services with respect to client assets. Adviser will assist clients in defining personal financial goals and objectives and supply analysis and guidance as to the actions and investment strategies necessary to attain the selected goals and objectives. Such investment advisory consulting services do not include the implementation of investment strategies or the placement of investment orders. All guidance and investment advice is based upon the information provided by the client. Clients select the services they wish to receive as well as the accounts and assets that will be covered by the services. Clients generally select among the following services; General, Investments, Estate Planning & Ownership Issues, Family Protocol, Governance and Education, and Risk Management. Adviser may provide other investment supervisory services to clients on an occasional basis. The nature of such services will be determined at the time such services are requested by clients.

Investment Restrictions

Adviser develops customized investment strategies based on the stated investment objectives, risk tolerance and financial circumstances of each client. The risk tolerance and financial circumstances of clients are generally described in their investment policy statements. Clients may impose reasonable restrictions on the management of their accounts, including by restricting particular securities, commodity interests or types of investments. Sometimes investment restrictions are imposed by the governing document of the entity, e.g., trust accounts. Clients should be aware that performance of restricted accounts may differ from performance of accounts without such impediments, possibly producing lower overall results.

Wrap Fee Programs

Adviser does not participate, sponsor or act as a portfolio manager for any wrap fee programs.

Assets Under Management

As of December 31, 2016 Adviser had a total assets under management of approximately \$911,000, of which approximately \$700,000,000 was managed on a discretionary basis and \$211,000,000 was managed on a non-discretionary basis. In calculating these figures, the Adviser counted the total assets in the EFGCA Funds and the total assets in individual client accounts. Where individual clients invest in the EFGCA Funds, such investments have been included in the value of the EFGCA Funds as well as the accounts and therefore such investments were counted more than once. If the assets are only counted once, the total amount of assets under management is lower than indicated here.

Item 5 **FEES AND COMPENSATION**

Adviser's Basic Fee Schedule

Clients pay Adviser a management fee for services provided by Adviser, typically ranging from .75% to 1.5% annually of the value of the net assets under management in the client's account. A minimum account fee may be charged. The fee is individually negotiated with the client, and is payable either monthly or quarterly in arrears based on the ending account balance reported on the applicable month's account statement. On occasion Adviser may negotiate a fixed or flat fee with a client for a particular service outside of the specialized programs.

If Adviser invests client's assets in EFGCA Funds in which Adviser also earns management fees, the last reported value of the investments in such EFGCA Funds may be deducted from the value of the client's account on the prior month's statement for purposes of calculating the monthly fee.

If Adviser invests client's assets in third party funds, or in EFGCA Funds which in turn invest in third party funds, the third party funds typically charge a fee within those funds, which is thus indirectly paid by the client.

On occasion, a performance fee may be negotiated up to a maximum of twenty-five percent (25%) of the annual profits from the investment of the client's assets, to the extent such profits exceed the earnings which would have accrued on such assets if they had been invested at a rate equal to the average rate on a mutually agreed upon benchmark plus the management fee. Performance fees are further described in Item 6.

Fees for providing custodial and administrative services, as well as transaction-related fees and other applicable fees, will be deducted from the client's account. Adviser or Adviser's related persons and affiliates may provide services to the client for which the client will pay additional charges in the form of fees, commissions, or price mark-ups or mark-downs. Clients also reimburse Adviser for reasonable expenses incurred by Adviser or its nominees or agents, including affiliates of Adviser, in connection with the client's accounts or related transactions.

For certain administrative services such as bill paying and personal account administration, Adviser charges a flat fee of at least \$250 annually. The fees for any other service are negotiated based on the type of service.

The EFGCA Funds are private funds that invest in various securities and financial instruments, alternative investments, and other private funds. The EFGCA Funds pay the Adviser a management fee between 1.0% and 2.75% annually of the net asset value of the EFGCA Fund. The management fees vary by EFGCA Fund as disclosed in each fund's private placement memorandum. Some EFGCA Funds pay a performance fee to the Adviser based on the EFGCA Fund's profits, which is also disclosed in the respective EFGCA Fund's private placement memorandum. Please refer to Item 10 Other Relationships, for additional information.

A client may pay more or less fees than similar clients depending on the particular circumstances of the client, size of investments, additional or differing levels of servicing or as otherwise

agreed with specific clients. Each client enters into an agreement with Adviser that provides information on such client's specific fee arrangement.

Fee Schedule for Sub-Investment Management Services

Adviser generally charges a fixed quarterly fee subject to annual adjustment. Fees are individually negotiated based on the types of consulting services being provided (see Item 4 for a list of such services). There is a minimum fixed fee of \$80,000 to \$100,000 per annum plus 8 to 10 basis points calculated on the basis of assets under advisory. For further details please contact the Adviser.

Calculation and Deduction of Advisory Fees

Adviser deducts fees from client accounts on a monthly or quarterly basis. Fees charged to U.S. domiciled accounts are generally calculated and deducted monthly from the accounts, based on value of the accounts at the end of each month. Accounts initiated after the beginning of a month or terminated prior to the end of a month are charged a prorated fee. Accounts of non-US domiciled clients are usually charged fees calculated and deducted quarterly from the accounts, based on the value of the accounts at the end of the prior quarter, adjusted for capital contributions and withdrawals made during the current quarter. Accounts initiated after the beginning of a quarter or terminated prior to the end of a quarter are charged a prorated fee. Performance fees, if any, are calculated according to the schedule agreed on with the client, typically on the annual anniversary of the accounts. Fees for Sub-Investment Management Services and other non-discretionary programs are generally billed to clients, although frequently clients pre-authorize their custodians to automatically deduct the fees from the client's account and to make payment to Adviser.

Other Fees and Expenses

Adviser's fees are generally exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by fund managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Other charges, fees and commissions are in addition to Adviser's fee, and Adviser shall not receive any portion of these commissions, fees, and costs unless previously disclosed.

As discussed above in Item 5, where a client is invested in the EFGCA Funds, the Adviser may charge fees at the account level for assets invested in the EFGCA Funds when the Adviser is also performing rebalancing and asset allocation services at the account level.

Item 12 further describes the factors that Adviser considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

Prepaid Fees

Adviser does not charge clients fees in advance except in the case of Sub-Investment Management Services or pursuant to an individually negotiated arrangement between the Adviser and a specific client. Fees are generally billed to clients quarterly in advance for Sub-Investment Management Services.

Compensation for the Sale of Securities

Some of Adviser's supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, in their individual capacities as registered representatives of Adviser's affiliated broker-dealer EFG Capital International Corp. ("EFG Brokerage"). Supervised persons of Adviser not registered with EFG brokerage do not receive such compensation in connection with accounts managed or advised by Adviser.

Use of Unaffiliated Brokers

The Adviser normally uses Pershing and Interactive Brokers in the USA, and EFG Bank and affiliates in Europe and other locations for custody and execution. Clients may choose to purchase the investment products recommended by Adviser through banks, brokers, dealers, or custodians that are not affiliated with Adviser. Doing so may result in lower or higher fees, commissions, or markups than those charged by a bank, broker, dealer, or custodian affiliated with Adviser.

Termination of Accounts

Clients may terminate their Agreement with thirty (30) days written notice to Advisor.

Item 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

In some cases Adviser has entered into performance fee arrangements with qualified clients and EFGCA Funds. See Item 5 for a description of such fees.

Note, however, that such fees are subject to individualized negotiation with each such client. Adviser will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisers Act of 1940 (the "Advisers Act") in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, Adviser shall include realized and unrealized capital gains and losses. Performance based fee arrangements may create an incentive for Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Adviser has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

The investment decisions for the EFGCA Funds are made independently from those for other accounts managed by the Adviser. The Adviser may have other clients with investment objectives similar to those of the EFGCA Funds. The Adviser is permitted to make an

investment decision on behalf of the EFGCA Funds that differs from decisions made for, or advice given to, such other clients even though the investment objectives may be the same or similar, provided that the Adviser acts in good faith and follows a policy of allocating over a period of time investment opportunities to the EFGCA Funds on a basis intended to be fair and equitable relative to such other clients, taking into consideration the investment policies and investment restrictions to which such other clients and the EFGCA Funds are subject. The Adviser is not obligated to give the EFGCA Funds treatment more favorable than or preferential to that provided to such other clients.

Adviser has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7 TYPES OF CLIENTS

Adviser provides portfolio management and/or advisory services to high net worth individuals and families, banking institutions, corporations, corporate pension and profit-sharing plans, private investment companies and funds, trusts, estates charitable organizations, and other U.S. and international companies.

The Adviser ordinarily requires each account to have a minimum of \$250,000, although smaller accounts may be accepted and maintained at the discretion of Adviser. Certain accounts must meet the requirements of SEC Rule 275.205 (3), and qualify as an accredited investor under Regulation D of the Securities Act of 1933.

Item 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General Description

The Adviser offers short-term investments, lower, moderate and higher volatility investments, and customized investment strategies using fixed income and equity securities and mutual funds, and alternative investments such as hedge funds.

The Adviser offers customized managed accounts that do not fit into one of the standard strategies. These accounts invest according to an individualized allocation and may hold special assets.

Client assets invested for the short term may be placed in the EFG Short Term Fund (“the Fund”), money market funds, certificates of deposit and/or bank accounts. Clients willing to tolerate volatility are invested in a managed portfolio of assets based on the particular profile and investment policy of the client. See Item 11, EFGCA Funds, for additional information on the Fund.

The Adviser's fixed income management includes investments in municipal and government, agency and corporate bonds. The Adviser utilizes external investment managers offering both index-oriented and actively-managed bond funds, focusing on active management of high-grade

fixed income securities. The Adviser may incorporate high yield and emerging market fixed income securities and mutual funds into some portfolios.

The Adviser's equity management includes investments in individual equity securities and mutual funds managed by external investment managers. The Adviser also utilizes index funds or index-based exchange-traded funds ("ETFs") in its equity portfolios. The Adviser uses its proprietary asset allocation and rebalancing methodology for discretionary accounts.

The Adviser manages a wide array of EFGCA Funds, primarily private funds that invest in funds of funds, hedge funds and other alternative investments. The special investment strategies and methods of analysis used to manage the EFGCA Funds are described more fully in each EFGCA Fund's private placement memorandum.

Funds in which Adviser makes direct investments on behalf of clients are subject to due diligence performed by Adviser and, where applicable, sub-advisors selected by the Adviser. Advisers' affiliates also provide certain research and due diligence information as discussed in Item 10. Adviser performs reviews of the fund's investment management and operating processes, with emphasis on investment selection and risk management.

Funds whose operations, risk management and performance potential satisfy Adviser's review become eligible investment opportunities under Adviser's investment strategies. Adviser monitors funds continuously to determine their ongoing suitability per Adviser's investment strategies.

Adviser monitors the performance of each fund regularly. Adviser typically allocates assets among several funds, but may invest all of a client's fund assets in one fund of funds or hedge fund as deemed appropriate by Adviser. While hedge fund and fund of funds provide substantial information to Adviser, generally they do not provide information as to the particular funds in which the fund of funds invests.

Investing in securities and other investment products involves risk of loss that clients should be prepared to bear. See Material Risks described below.

Material Risks for Significant Investment Strategies

While it is the intention of Adviser to implement strategies which are designed to minimize potential losses suffered by its client, there can be no assurance that such strategies will be successful. It is possible that a client may lose a substantial proportion or all of its assets in connection with investment decisions made by Adviser. The following is a discussion of material risks for Adviser's significant investment strategies, but it does not purport to be a complete explanation of the risks involved with the Adviser's investment strategies.

The following includes a description of some of the risks associated with investments made for clients including indirect risks to the client associated with investments made by funds of funds and hedge funds. In a fund of funds, any adverse impact on the underlying hedge funds from the risks listed may negatively impact the return of the funds of funds. Adviser has no control over the risk management of third-party hedge funds.

Limited Liquidity. An investment in the EFGCA Funds and other alternative investments generally provides limited liquidity since the interests are not freely transferable and an investor generally may withdraw its interest only at the end of each calendar quarter or at such other time as determined by each fund. Further, other limitations on withdrawals exist.

Independent Portfolio Managers. In a fund of funds structure the portfolio managers of the hedge funds invest wholly independently of one another and may at times hold economically offsetting positions. To the extent that the portfolio managers do, in fact, hold such positions, the fund of funds or a client account investing directly in such hedge funds will not achieve any gain or loss despite incurring expenses. In addition, where the Adviser invests in third-party funds of funds, the funds of funds managers are compensated based on the performance of their fund. Accordingly, a particular fund of funds manager may receive incentive compensation in respect of its portion of the EFGCA Fund's portfolio or client account during a period when such EFGCA Fund's or clients' overall portfolio has depreciated.

Limited Information Regarding Funds of Funds and Hedge Funds. Although Adviser will receive detailed information from each prospective third-party fund of funds regarding its historical performance and investment strategy, in most cases, the Adviser has limited means of independently verifying the information supplied by the fund of funds managers. Adviser may have little or no information on the allocation of the funds of funds' assets to the underlying hedge funds. The absence of such information may increase the possibility that the client of Fund will suffer a loss with respect to an investment and the amount of such loss. Where Adviser invests a EFGCA Fund or client account directly in a hedge fund, the Adviser receives detailed information on the hedge funds' historical performance and investment strategy but in many cases has limited means to verify such information. The absence of such information may increase the possibility that the EFGCA Fund or other client will suffer a loss with respect to an investment and the amount of such loss.

Tiered Fee Structure. Some EFGCA Funds and other clients will utilize a so-called "fund-of-funds" or "multi-manager" investment strategy, pursuant to which the EFGCA Fund's or client's assets will be invested primarily in funds of funds. Fees will be charged to the EFGCA Fund/client by both the Adviser and the funds of funds. As a result, the EFGCA Funds/client will be subject to multiple fees, which may include performance allocations.

Limited Diversification. The Adviser often seeks to diversify its client's assets through investments in various funds of funds and other assets. However, Adviser may invest in only one or a limited number of funds of funds or other assets, which may limit the diversification of the EFGCA Fund's assets or the client's account. Diversification also may not be achieved as a result of insufficient investment opportunities or insufficient investable assets as a result of insufficient subscriptions or withdrawals. In addition, the number of investments by the funds of funds and hedge funds may be limited and the portfolio managers of the third-party hedge funds may make similar investments. As a consequence, client returns as a whole may be adversely affected by the unfavorable performance of even a single investment by a hedge fund.

Investment and Trading Risks. All investments risk the loss of capital. Adviser believes that its investment program moderates this risk by investing clients in fund of funds and hedge funds with varying strategies for qualified investors. The portfolio managers of the hedge funds and of

the Adviser may utilize investment techniques, including investing in derivative instruments, that may have limited diversification, may trade on margin, or may sell short, each of which in certain circumstances can magnify the adverse impact of market movements to which clients may be subject. Hedge funds may engage in risk arbitrage transactions, which are subject to special risks that can adversely affect performance.

Highly Volatile Markets. Adviser may directly or indirectly invest in derivative instruments, which could adversely impact the value of a Fund or client account. The prices of all derivative instruments, including structured notes, options and swaps, are highly volatile and subject to various levels of liquidity. Price movements of options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of structured notes, options and swap agreements also depend upon the price of the commodities underlying them. Hedge funds and indirectly funds of funds are also subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouses or of counterparties.

Hedge funds may purchase and sell (“write”) options on securities, currencies and commodities on national and international commodities and securities exchanges and in the domestic and international over-the-counter market. The seller (“writer”) of a put option which is covered assumes the risk of an increase in the market price of the underlying security, currency or commodity above the sales price (in establishing the short position) of the underlying security, currency or commodity, plus the premium received, and gives up the opportunity for gain on the underlying security, currency or commodity below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security, currency or commodity below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

The writer of a call option, which is covered, assumes the risk of a decline in the market price of the underlying security, currency or commodity below the value of the underlying security, currency or commodity less the premium received, and gives up the opportunity for gain on the underlying security, currency or commodity above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security, currency or commodity above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

Swaps and certain options and other custom instruments are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

Forward Trading. Adviser may invest the EFGCA Funds and other clients in forward contracts, and funds of funds may indirectly invest in such contracts. Forward contracts and options thereon are not traded on exchanges and are not standardized; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are

not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Market illiquidity or disruption could result in major losses.

Currency. Clients may be directly or indirectly invested in securities denominated in currencies other than the U.S. dollar and in other financial instruments, the price of which is determined with reference to currencies other than the U.S. dollar.

Hedge funds, however, may value their securities and other assets in U.S. dollars. The value of the hedge funds' assets may fluctuate with U.S. dollar exchange rates as well as with price changes of the hedge funds' investments in the various local markets and currencies.

Leverage; Margin. The EFGCA Funds, hedge funds and client accounts may borrow funds from brokerage firms and banks in order to be able to increase the amount of capital available for marketable securities investments. In addition, hedge funds may "leverage" investment return with options, commodity futures contracts, swaps, forwards and other derivative instruments. The amount of borrowings which the EFGCA Funds or other clients may have outstanding at any time, directly or indirectly, may be large in relation to its capital, which will affect the operating results of the EFGCA Funds and client accounts.

In general, the anticipated use of short-term margin borrowings by hedge funds results in certain additional risks. For example, should the securities pledged to brokers to secure the margin accounts decline in value, the portfolio managers could be subject to a "margin call," pursuant to which the portfolio managers must either deposit additional funds with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of the hedge fund's assets, the portfolio managers might not be able to liquidate assets quickly enough to pay off the margin debt. This can have a significant impact on the value of the hedge fund and indirectly on other clients of the Adviser.

Interest Rate Risk. Client assets may be subject to interest rate risk resulting from direct or indirect investments in fixed income securities. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities.

Non-U.S. Investments. Clients of the Adviser may invest directly or indirectly in non-U.S. securities or U.S. securities denominated in non-U.S. currencies and/or traded outside of the United States. Such investments require consideration of certain risks typically not associated with investing in U.S. securities or property. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavorable currency exchange rate fluctuations, imposition of exchange control regulation by the United States or foreign governments, United States and foreign withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries,

political difficulties, including expropriation of assets, confiscatory taxation and economic or political instability in foreign nations.

There may be less publicly available information about certain foreign companies than would be the case for comparable companies in the United States and certain foreign companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of United States companies. Securities markets outside the United States, while growing in volume, have for the most part substantially less volume than U.S. markets, and many securities traded on these foreign markets are less liquid and their prices more volatile than securities of comparable United States companies. In addition, settlement of trades in some non-U.S. markets is much slower and more subject to failure than in U.S. markets. There also may be less extensive regulation of the securities markets in particular countries than in the United States. These risks may be greater for companies in emerging markets.

Additional costs could be incurred in connection with international investment activities. Foreign brokerage commissions generally are higher than in the United States. Expenses also may be incurred on currency exchanges when investments are changed from one country to another. Increased custodian costs as well as administrative difficulties (such as the applicability of foreign laws to foreign custodians in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalization and record access) may be associated with the maintenance of assets in foreign jurisdictions.

Hedge funds may trade futures, options and forward contracts on commodity exchanges and markets located outside the United States where Commodity Futures Trading Commission ("CFTC") regulations may not apply. Some foreign exchanges, in contrast to domestic exchanges, are "principals' markets" in which performance is the responsibility only of the individual member with whom the trader has entered into a commodity contract and not of an exchange or clearing corporation. In such a case, the Hedge Funds are subject to the risk of the inability of, or refusal by, the counterparty to perform with respect to such contracts. In addition, the trading of forward contracts on certain foreign commodity exchanges may be subject to price fluctuation limits.

Trading in Securities and Other Investments May be Illiquid. Certain investment positions may be illiquid. The Adviser may invest client asset directly or indirectly in restricted or semi-publicly traded securities and securities in non-U.S. exchanges. This could prevent the Adviser or the underlying fund funds from liquidating unfavorable positions promptly and subject them to substantial losses. This could also impair the ability to distribute proceeds in a timely manner.

Lower-Rated Securities. The Adviser and third-party hedge fund managers may invest in fixed income securities rated lower than Baa by Moody's or lower than BBB by S&P (or, if not rated, deemed by the Investment Adviser or Portfolio Managers to be of comparable quality). Securities rated lower than Baa by Moody's or lower than BBB by S&P are sometimes referred to as "high yield" or "junk" bonds. Securities rated Baa are considered by Moody's to have some speculative characteristics. Lower-rated securities may include securities that have the lowest rating or are in default. Investing in lower-rated securities involves special risks in addition to the risks associated with investments in higher-rated fixed income securities, including a high degree of credit risk. Lower-rated securities may be regarded as predominately speculative with

respect to the issuer's continuing ability to meet principal and interest payments. Analysis of the creditworthiness of issuers/issues of lower-rated securities may be more complex than for issuers/issues of higher quality debt securities. Lower-rated securities may be more susceptible to losses and real or perceived adverse economic and competitive industry conditions than higher-grade securities. Securities that are in the lowest rating category are considered to have extremely poor prospects of ever attaining any real investment standing, to have a current identifiable vulnerability to default, and to be unlikely to have the capacity to pay interest and repay principal. The secondary markets on which lower-rated securities are traded may be less liquid than the market for higher-grade securities. Less liquidity in the secondary trading markets could adversely affect and cause large fluctuations in the value of the hedge funds and the funds of funds. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of lower-rated securities, especially in a thinly traded market. Furthermore, with respect to certain residential and commercial mortgage-backed securities, it is difficult to obtain current reliable information regarding delinquency rates, prepayment rates, servicing records, as well as updated cash flows.

The use of credit ratings as the sole method of evaluating lower-rated securities can involve certain risks. For example, credit ratings evaluate the safety of principal and interest payments, not the market value risk of lower-rated securities. In addition, credit rating agencies may fail to change credit ratings in a timely fashion to reflect events since the security was rated.

Convertible Securities. The Adviser and third-party hedge fund managers may invest in convertible securities which are securities that may be exchanged or converted into a predetermined number of the issuer's underlying shares or the shares of another company or that are indexed to an unmanaged market index at the option of the holder during a specified time period. Convertible securities may take the form of convertible preferred stock, convertible bonds or debentures, stock purchase warrants, zero-coupon bonds or liquid-yield option notes, stock index notes, mandatories, or a combination of the features of these securities. Prior to conversion, convertible securities have the same general characteristics as non-convertible debt securities. As with all debt securities, the market value of convertible securities tends to decline as interest rates increase and conversely, increase as interest rates decline. Convertible securities, however, also appreciate when the underlying common stock appreciates, and conversely, depreciate when the underlying common stock depreciates.

Distressed Securities. The Adviser and the third-party hedge fund managers may invest in "distressed securities," private claims and obligations of domestic and foreign entities which are experiencing significant financial or business difficulties. Investments may include loans, commercial paper, loan participations, trade claims held by trade or other creditors, stocks, company interests and similar financial instruments, executory contracts and options or participations therein not publicly traded. Distressed securities may result in significant returns to the hedge funds, but also involve a substantial degree of risk. The hedge funds may lose a substantial portion or all of its investment in a distressed environment or may be required to accept cash or securities with a value less than the hedge funds' investment. Among the risks inherent in investments in entities experiencing significant financial or business difficulties is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by state and federal laws relating to,

among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of such instruments are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such instruments may be greater than normally expected. In trading distressed securities, litigation is sometimes required. Such litigation can be time-consuming and expensive, and can frequently lead to unpredicted delays or losses. Moreover, to the extent that the hedge funds invest in distressed sovereign debt obligations, it will be subject to additional risks and considerations not present in private distressed securities, including the uncertainties involved in enforcing and collecting debt obligations against sovereign nations, which may be affected by world events, changes in U.S. foreign policy and other factors outside of the control of the portfolio managers and funds of funds managers. Such risks could have a significant direct or indirect impact on the client's portfolio.

Hedging Transactions. The Adviser and the third-party hedge fund managers may utilize financial instruments such as forward contracts, currency options and interest rate swaps, caps and floors to seek to hedge against fluctuations in the relative values of their portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus, moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio position should increase. Moreover, it may not be possible to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated that portfolio managers are not able to enter into hedging transactions at a price sufficient to protect the hedge funds' assets from the decline in value of the portfolio positions anticipated as a result of such fluctuations.

The success of the hedging transactions is subject to each individual portfolio manager's ability to correctly predict movements in the direction of currency and interest rates. Therefore, while the Adviser and the third-party hedge fund portfolio managers may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, unanticipated changes in currency or interest rates may result in a poorer overall performance. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Moreover, for a variety of reasons, The Adviser and such portfolio managers may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the achievement of the intended hedge or expose the hedge fund and client to risk of loss.

Proprietary Investment Strategies. Some third-party hedge fund portfolio managers may use proprietary investment strategies that are based on considerations and factors that are not fully disclosed to the Adviser. These strategies may involve risks under some market conditions that are not anticipated. Such portfolio managers generally use investment strategies that are different than those typically employed by traditional managers of portfolios of stocks and bonds. The investment niche, arbitrage opportunity or market inefficiency employed by a portfolio manager may become less profitable over time as the portfolio manager and competing asset managers or

investors manage a larger group of assets in the same or similar manner (tending to arbitrage away the profit opportunities), or market conditions change. The strategies employed by the hedge fund portfolio managers may involve significantly more risk and higher transaction costs than more traditional investment methods. The Adviser may seek to reduce these risks by spreading the investments of the client among a variety of different funds of funds investing in hedge funds using investment strategies with returns that are not highly correlated with one another so that the volatility of different strategies (the profits from one funds of funds and the losses from another) will tend to reduce the overall fluctuation in value of the assets. It is possible that the performance of the fund of funds may be closely correlated in some market conditions, resulting (if those returns are negative) in significant losses.

Valuation. Investments in funds of funds and hedge funds are generally valued based upon valuations provided by the managers of the funds of funds and the portfolio managers of the hedge funds, which in some cases may be estimates. Although the Adviser reviews the valuation procedures used by all the funds of funds and Adviser will not be able to confirm the accuracy of valuations provided. In the event of an error in the determination of the value of an investment by a Hedge Fund Portfolio Manager or the Funds of Funds manager, the Net Asset Value of the Partnership may be inaccurate.

Additional details on the risks associated with investing is contained in the private placement memorandum of each fund and in the portfolio management agreement signed by client.

Material Risks for Particular Types of Securities

Adviser recommends a variety of investment securities and not any one particular type. The material risks involved in Adviser's investment strategies are described above. With regard to the Funds, see each Fund's private placement memorandum for a description of the types of investments made for such Fund and the specific risks associated therewith.

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 an adviser or the integrity of the adviser's management. No legal or disciplinary actions have been taken against the Adviser.

Item 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Broker-Dealer Registration

Adviser is not registered with the Securities and Exchange Commission ("SEC") as a broker-dealer. Some of Adviser's management persons are registered representatives of the Adviser's affiliated broker-dealer EFG Capital International Corp.

Commodity Pool Operator, Commodity Trading Adviser, Futures Commission Merchant Registration

The Adviser is not registered as a Futures Commission Merchant and is no longer registered as a Commodity Pool Operator or a Commodity Trading Adviser.

Other Material Relationships

Adviser has relationships with EFG Brokerage, as well as EFG Bank SA, its branch in the Cayman Islands EFG Bank (Cayman) and its affiliate EFG Bank & Trust (Bahamas) Ltd. and EFG Bank (Luxembourg) Ltd. (together, “EFG Bank”), that are material to Adviser’s advisory business and its clients. Generally, Adviser will execute securities transactions through EFG Brokerage. EFG Brokerage may act as the broker for the client’s account with respect to a variety of securities and other investments, on an agency or riskless principal basis. Subject to the advisory contract with the client, EFG Brokerage may act as broker for the client’s account with respect to a series of investment products, including investment funds, “indexed” or “structured” products. EFG Brokerage and/or its affiliates may receive fees and other compensation in the form of management fees, placement fees, sales charges, redemption fees, structuring fees, due diligence fees and trailer fees from the products they issue and/or manage, as well as from third-party products. In addition, clients that purchase these products through their accounts may be charged a fee by EFG Brokerage at the account level and also indirectly charged a management fee and/or performance fee by the managers of the investment funds.

Adviser believes that using EFG Brokerage will be in the best interest of its clients. However, because of such designation, EFG Brokerage’s commission rates or spreads are not negotiated freely. Accordingly, transactions through EFG Brokerage may result in higher commissions, greater spreads, or less favorable net prices than might be the case if Adviser freely negotiated commission rates or spreads, or selected broker-dealers on a competitive basis. EFG Brokerage will not charge commissions or mark-ups/mark-downs without the prior approval of clients as more fully described in Item 11. In addition, as more fully described in Item 12, Adviser also monitors the execution capabilities of other broker-dealers in relation to EFG Brokerage to judge the range and quality of the professional services provided by such firms, and Adviser may choose to use other broker-dealers in lieu of EFG Brokerage.

Adviser also has a relationship with EFG Bank that is material to Adviser’s advisory business and its clients because EFG Bank acts as the qualified custodian for certain client accounts. Adviser has policies and procedures in place to comply with the requirements of Rule 206(4)-2 of the Adviser’s Act that are applicable to the Bank’s role as qualified custodian for client accounts. In addition, Adviser may also establish referral relationships with EFG Brokerage, EFG Bank, and their respective affiliates pursuant to which each party will refer prospective clients to each other and the referring affiliate may receive fees for its respective referrals.

Affiliates of Adviser produce lists of hedge funds and mutual funds that have been researched and deemed “approved” for investment on an EFG enterprise-wide basis. Adviser and its personnel review such lists and make their own determination regarding such funds prior to placing them on the approved list of Adviser. Adviser may invest in funds and other financial products that are not on the global approved list in accordance with Adviser’s policies where Adviser determines that such investment is appropriate for a client account. However, Adviser typically places new investments in funds that are on the global approved list.

Asesores Y Gestores Financieros Fondos, SGIIC, SA (“A&G”), is an investment adviser located in Spain and wholly owned by EFG International, an indirect owner of the Adviser. A&G provides referral services to Adviser. Some of A&G’s non-U.S. clients are the beneficial owners of accounts managed by Adviser. In such case, A&G may be aware of the investments in such accounts and may generally discuss such clients with Adviser. However, Adviser makes all investment decisions for such accounts. A&G and certain of its personnel have entered into agreements with Adviser whereby A&G has agreed to keep certain records and to make certain documents and information available to the Adviser and to the SEC. A&G does not provide advice to Adviser’s clients or the beneficiaries of Adviser’s clients on behalf of Adviser. Adviser’s policies and procedures prohibit Adviser from discussing with A&G any specific recommendations or investments related to Adviser’s clients. To the extent Adviser provides A&G with information on investments in accounts beneficially owned by A&G’s non-U.S. clients, such information is provided at the direction of the client after the investment decision and investment have been made. Accordingly, Adviser believes that any material conflict has been mitigated.

EFG Bank, the Swiss private banking subsidiary of EFG International headquartered in Zurich, acts as the qualified custodian for certain client accounts. Adviser has policies and procedures in place to comply with the requirements of Rule 206(4)-2 of the Adviser’s Act that are applicable to the Bank’s role as qualified custodian for client accounts.

Other Relationships

Within the EFG group of companies there is a global committee that takes a general “top down” macroeconomic approach in analyzing economies, currencies, markets and sectors and provides general information to the Adviser and its affiliates. The Adviser typically incorporates this along with third-party research and its own analysis in its diagnostic process. Furthermore, Adviser is responsible for identifying, structuring, monitoring and disposing of investments in client accounts. This design and day-to-day management of client portfolio is determined by Adviser through the assigned portfolio managers.

In addition, EFG Asset Management (“EFGAM”), an affiliate of the Adviser, produces lists of hedge funds and mutual funds that have been researched and deemed “approved” for investment on an EFG enterprise-wide basis. Adviser reviews such lists and perform its own due diligence on such funds prior to placing them on the approved list of Adviser. Adviser may invest in funds and other financial products that do not appear on the global approved list, in accordance with Adviser’s policies where Adviser determines that such investment is appropriate for a client’s account. Adviser typically places new investments in funds that appear on the global approved list. The Adviser and EFGAM have entered into an agreement pursuant to which EFGAM assists Adviser in the analysis, review and selection of investment managers, primarily of hedge funds, on behalf of certain EFGCA Funds managed by Adviser. EFGAM charges a fee for these services, which is paid by the EFGCA Funds benefitting from the services.

Receipt of Compensation from Investment Advisers

As mentioned in Item 5, some of Adviser’s supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees

from the sale of mutual funds, in their individual capacities as registered representatives of Adviser's affiliated broker-dealer EFG Brokerage. Supervised persons of Adviser not registered with EFG Brokerage do not receive such compensation in connection with accounts managed or advised by Adviser.

Item 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

Advisers Code of Ethics is established as a complement to the internal policies and procedures of Adviser. The Code follows the requirements/guidelines enacted under Rule 204A-1 of the Investment Adviser's Act of 1940 (the "Act"). It applies to all supervised persons (as defined under the Act), executive officers, chief operational officer, principal accounting officer, general counsel, managers, and investment personnel, as well as all other employees of the Company (the "Employees").

Purpose

Adviser and its Employees have a fiduciary obligation to their advisory clients. The purpose of the Code is to deter wrongdoing and promote:

- 1) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest;
- 2) Full, fair, accurate, timely and understandable disclosure to clients and regulatory agencies;
- 3) Compliance with applicable governmental laws and regulations as well as all applicable state and federal securities laws;
- 4) Prompt internal reporting of violations of the Code; and
- 5) Accountability for adherence to the Code.

The Code contains policies with respect to Proper Accounting, Compliance with Laws and Regulations, Conflicts of Interest, Gifts, Foreign Corrupt Practices Act, Political Contributions, Outside Directorships and Confidentiality/Insider Trading.

The Code also contains policies with respect to Employee Personal Trading. Adviser requires that all "Access Persons," as defined in the Act and the Code, report their personal securities holdings and transactions on behalf of themselves or others. The Adviser shall receive duplicates of confirmations/monthly statements, which shall be reviewed by the Compliance Officer. Certain securities transactions must be pre-cleared by the Compliance Officer including investments in initial public offerings, limited offerings as defined in the Code, restricted securities, Securities which the Access Person knows, or reasonably should have known, are under a pending "buy" or "sell" order for a client until that order is executed or withdrawn; Securities which the Access Person knows, or reasonably should have known, have been bought or sold for a client within the past seven calendar days or are going to be bought or sold for a

client in the next seven calendar days; Securities which have been identified as eligible for purchase or sale for a client for which the Access Person individually has some significant responsibility.

In addition, Access Persons may not profit as a result of a purchase and sale, or sale and purchase, within a period of 60 calendar days, of the same (or equivalent) security, if such security is held by a client for which they individually have some significant responsibility.

Access Persons are required to submit to the Compliance Officer a report of all holdings in Reportable Securities (as defined in the Code) of which they have Beneficial Ownership (as defined in the Code) within 10 days of becoming an Access Person and at least once for each 12-month period thereafter, as prompted by the Compliance Department.

Access Persons are required to report, quarterly, all accounts containing Reportable Securities that they own either directly or beneficially.

A copy of the Code of Ethics may be obtained by written request addressed to the Adviser, to the attention of The Compliance Department, at 701 Brickell Ave, Suite 1350, Miami, Florida 33131.

Privacy Policy

The Adviser recognizes and respects the privacy concerns of its customers. The Adviser does not disclose any nonpublic personal information about its clients or former clients to any third parties, except as required by law.

All nonpublic personal information about clients (which includes, but is not limited to, name, address, account balance, redemption or withdrawal history, assets and/or income) is gathered from the following sources:

- Information received from client on account applications, agreements, questionnaires or other forms;
- Information about clients' transactions with the Adviser and its affiliates;
- Information received from clients in written, telephonic, or electronic communications with the Adviser and its affiliates;
- Information received from third party public sources and consumer reporting agencies.

In order to service client accounts and effect client transactions, the Adviser may provide clients' personal information to affiliates and financial service providers that assist in servicing the account and have a need for the information. Examples would include, but are not limited to, a broker, fund administrator, accountants, auditors and legal counsel. Each of the foregoing will only be provided the information on a need to know basis. The Adviser does not otherwise provide information about clients to outside firms, organizations or individuals except as required by applicable law.

EFGCA and/or its affiliates may disclose the Client's information or information related to the Account to any governmental body, agency, official or authority that EFGCA reasonably believes has jurisdiction over the Client or the Account or which disclosure is otherwise required by applicable law or, in the sole discretion of EFGCA, necessary to protect the interests of EFGCA or its affiliates.

The Adviser restricts access to nonpublic personal information about clients to its employees who need to know the information in order to provide products and services to clients. The Adviser will maintain physical, electronic and procedural safeguards that comply with applicable federal standards to guard clients' personal information.

In the event that prospective clients invest with the Adviser through a financial intermediary, including but not limited to, a broker-dealer, bank or trust company, the privacy policy of the financial intermediary will govern how client's nonpublic information will be shared by that entity with non-affiliated third parties.

Participation or Interest in Client Transactions and Associated Conflicts of Interest

EFGCA Funds

The Adviser frequently invests individual clients' assets in the EFGCA Funds. Adviser manages the EFGCA Funds and the general partners of some of the EFGCA Funds are related parties to Adviser. The Adviser explains the nature of its relationship with the EFGCA Funds to each client and obtains the consent of each client prior to any such investment. The Adviser's interest in the EFGCA Funds is described in this brochure which is provided to clients and in the offering memoranda for the EFGCA Funds, which are provided to investors in the funds. Adviser generally invests clients in the EFGCA Funds where clients seek to allocate assets to hedge funds and other alternative investment vehicles and/or where clients seek to diversify among various hedge funds and/or various managers. The Adviser invests such clients in one or more of such funds to provide the client with exposure to a greater diversification of alternative investments than the client typically could obtain by investing directly in the underlying investments. Adviser assists clients with such asset allocation in accordance with the client's investment policy statement. Adviser also invests clients in mutual funds and other securities and financial products that are not related to Adviser.

Affiliates of the Adviser occasionally invest in the Funds. In each case, the affiliates only purchase and sell interests in the Funds directly with the Funds and not with any other clients.

From time to time the Adviser may arrange financing for clients in need of short term liquidity. In such cases, consistent with Adviser's fiduciary duty and client's need for expediency, Adviser may arrange short term loans to the client from the EFGCA Short Term Fund ("the Fund"). Such loans are charged a competitive interest rate by the Fund, typically between 0% and one month Libor + 2%, and are repaid by the client within 90 days. Adviser receives a management fee for managing the Fund, however neither Adviser nor any other party receives compensation for arranging loans from the Fund. Adviser neither solicits nor recommends that clients receive loans from the Fund. According to its policies and procedures, Adviser ensures

that all such loans are appropriate for the client. See Item 8 General Description for information regarding the Fund.

Trade Errors

The Adviser reimburses any client incurring a loss due to errors made by the Adviser. Losses in client accounts caused by trades done in error are reversed. When appropriate, if such error is corrected post settlement, the account is credited with a competitive rate of return from the date of the error. At the sole discretion of the Adviser, gains in client accounts caused by trades done in error and corrected after settlement may be credited to the client's account.

In correcting any errors that are the fault of the Adviser or an affiliate, the Adviser or an affiliate may repurchase the securities from the client. To the extent that the subsequent sale of such securities generates a profit to the Adviser or an affiliate, the Adviser or the affiliate may retain such profits, and may, but is not required to, use such profits to offset errors in the future or pay other client-related expenses. The Adviser will not be responsible for any errors that occur that are not the fault of the Adviser or any affiliate.

Principal Trades

The Adviser and its affiliates may engage in principal transactions with their clients by Adviser or its affiliate acting for its own account in selling securities to or purchasing securities from a client account. The Adviser will obtain a written consent from the client prior to each principal transaction.

Agency Cross Trades

The Adviser or its affiliates may engage in agency cross-trades where the Adviser or an affiliate acts as an adviser for a client and an affiliate acts as broker for both sides of the transaction. The Adviser generally obtains blanket consent for such trades in its discretionary management agreement. The Adviser will send clients periodic statements describing any such trades.

Internal Cross-Trade

The Adviser may engage in internal cross-trades where the Adviser and its affiliates cause an account to sell securities to another account with no commission or other fees.

Investments in Securities by Adviser and its Personnel

Adviser's personnel or a related person may invest in the same or similar securities and investments as those recommended to or entered into on behalf of Adviser's clients. The results of the investment activities of Adviser's personnel or related persons for their accounts may differ from the results achieved by or for client accounts managed by Adviser. The conflicts raised by these circumstances are discussed below.

Adviser may recommend or effect the purchase or sale of securities in which its related persons or an affiliate, directly or indirectly, has a position or interest, or of which related or affiliated person buys or sells for itself. Such transactions may also include trading in securities in a manner inconsistent with the advice given to Adviser's clients.

Activities and transactions for client accounts may be impaired or effected at prices or terms that may be less favorable than would otherwise have been the case had Adviser or related persons not pursued a particular course of action with respect to the issuer of the securities. In addition, in certain instances Adviser's personnel may obtain information about the issuer that could limit the ability of such personnel to buy or sell securities of the issuer on behalf of client accounts.

Transactions undertaken by Adviser's clients may also adversely impact one or more client accounts. Other clients of the Adviser may have, as a result of receiving client reports or otherwise, access to information regarding Adviser's transactions or views that may affect their transactions outside of accounts controlled by Adviser, and such transactions may negatively impact other clients' accounts. A client's account may also be adversely affected by cash flows and market movements arising from purchase and sale transactions, as well as capital movements in other client accounts. These effects can be more pronounced in less liquid markets.

The results of the investment activities of a client's account may differ significantly from the results achieved by Adviser's related persons and from the results achieved by Adviser for other client accounts.

As more fully described above, Adviser has adopted a Code of Ethics. Such Code of Ethics together with Advisers policies and procedures restrict the ability of certain officers and employees of Adviser from engaging in securities transactions in any securities that its clients have purchased, sold or considered for purchase or sale, for an appropriate "black out" period. Other restrictions and reporting requirements are included in Advisers procedures and Code of Ethics minimize or eliminate conflicts of interest.

Trading Alongside by the Adviser and its Personnel

Client accounts managed by Adviser may trade in the same or similar securities at or about the same time as accounts managed by affiliates of the Adviser or personal accounts of Adviser's personnel. Investments by Adviser's affiliates or personnel may have the effect of diluting or otherwise disadvantaging the values, prices or investment strategies of a client's account, particularly in small capitalization, emerging market or less liquid strategies. This may occur when portfolio decisions regarding a client's account are based on research or other information that is also used to support portfolio decisions for Adviser's affiliates or personnel or through the global investment committee. If a portfolio decision or strategy for Adviser's affiliate's accounts or the accounts of Client's of affiliates is implemented ahead of, or contemporaneously with, similar portfolio decisions or strategies for Adviser's client's account, market impact, liquidity constraints, or other factors could result in the account receiving less favorable trading results and the costs of implementing such portfolio decisions or strategies could be increased. To the extent that simultaneous trades are placed for both clients and the Adviser or personal accounts of the Adviser's personnel, the worse fills are assigned to the Adviser's and personal accounts.

As discussed in Item 10, the members of the global investment committee do not have access to or knowledge of the specific composition of accounts of Adviser's clients or information concerning the specific investment decisions and recommendations made to Adviser's clients.

Item 12 **BROKERAGE PRACTICES**

Broker-Dealer Selection

The Adviser's standard Discretionary Investment Advisory Agreement grants the Adviser unlimited discretion to invest clients' assets and to select the broker for such investments. The broker may be the Adviser's affiliate, EFG Brokerage. The Adviser's policies provide that it may only select an affiliated broker-dealer if it reasonably believes that the affiliate can provide best execution with respect to a transaction. The Discretionary Agreement provides that the client may restrict this discretion and direct brokerage to any broker. The Adviser is authorized in its Discretionary Investment Advisory Agreement to select other securities brokers, unless the client directs otherwise in the Agreement.

The Adviser is also authorized to determine the commission and rates paid. In all cases, the fees to be charged by any broker-dealer selected by the Adviser may not exceed those charged by major brokerage firms. The selection of the broker will ordinarily be based on which broker is able to effect the transaction efficiently. The Adviser will consider the following: the execution capabilities required by the transactions; the ability and willingness of the broker-dealer to facilitate the accounts' portfolio transactions by participating therein for its own account; the importance to the account of speed, efficiency and confidentiality; the broker-dealer's apparent familiarity with sources from or to whom particular securities might be purchased or sold; the broker-dealer's ability to implement the Adviser's investment and trading strategies; the reputation and perceived soundness of the broker-dealer; and other matters relevant to the selection of a broker-dealer for portfolio transactions for any account. Additionally, the research and services provided by the broker with respect to the particular type of investment may be a factor in the selection process. The commissions payable to such brokers may in certain cases be higher than those attainable from other brokers who do not provide such research and services. Ordinarily, such research will be used to service all of Adviser's accounts. Under the standard Discretionary Investment Advisory Agreement, the client can revoke the Adviser's authority to select the broker for the account.

The Non-discretionary Investment Advisory Agreement also provides the Adviser with the power to select the broker, including EFG Brokerage, and to negotiate brokerage fees. As with the discretionary agreement, the client may direct brokerage or limit the Adviser's discretion by filling in the appropriate areas in the agreement.

Adviser will not adhere to any rigid formula in making the selection of the applicable broker or dealer for portfolio transactions, but will weigh a combination of the preceding factors.

Where it has discretion to select brokers or dealers, Adviser will have no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of the investment companies. Although Adviser will generally seek competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the

broker or dealer involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Research and Other Soft Dollar Benefits

Currently, it is Adviser's policy not to enter into soft dollar arrangements and Adviser has no formal soft dollar arrangements. Adviser may receive research from brokerage firms and may consider receipt of such research, together with other factors, in selecting a broker for a transaction. See "Directed Brokerage" below for more information.

Brokerage for Client Referrals

When selecting or recommending broker-dealers, the Adviser does not consider whether Adviser or a related person receives client referrals from such broker-dealer.

Directed Brokerage

In some cases, Adviser may recommend to clients and elect to use its affiliated broker-dealer EFG Brokerage or other affiliate. Adviser's policies require that Adviser may only select an affiliated broker-dealer if Adviser reasonably believes that the affiliate can provide best execution with respect to a particular transaction.

Adviser permits clients to direct brokerage to Adviser's affiliates or third-parties. Such direction is typically made in the client's investment advisory agreement. Where the client directs brokerage to EFG Brokerage, the Adviser's policies require EFGCA personnel to disclose the conflict. Where a client directs brokerage Adviser may be unable to achieve most favorable execution of client transactions. Directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because Adviser may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

Aggregation of Trades

Adviser has the fiduciary duty to execute orders for its clients fairly and equitably. Adviser follows written procedures pursuant to which it may, for clients who permit it, and to the extent consistent with best execution, combine purchase or sale orders for the same security for multiple clients (sometimes called "bunching") so that they can be executed at the same time. Adviser will not bunch an order for client accounts with those for Adviser's own accounts or accounts of Adviser's personnel and will not bunch orders for discretionary accounts with those of non-discretionary accounts. The procedures followed by Adviser may differ depending on the particular strategy or type of investment. Adviser is not required to bunch or aggregate orders and it does not receive additional compensation for aggregation. Adviser may be able to negotiate a better price and lower commission rate on aggregated trades than on trades for accounts that are not aggregated. Where transactions for a client's account are not aggregated with other orders, it may not benefit from the better price and lower commission rate. Adviser has policies that it believes allocate split fills and incomplete fills fairly and equitably.

Item 13 REVIEW OF ACCOUNTS

Review of Accounts

The investment review committee typically meets on a monthly or semi-monthly basis and is composed of members of the investment department, along with one or more members of the compliance department and a member(s) of EFGCA senior management. This committee reviews client portfolios which are managed on the basis of an investment advisory contract with the Adviser. At each meeting a different group of portfolios is reviewed, with the goal that over a one year cycle, all portfolios are reviewed at least once by the committee. Review items include but are not limited to asset allocation, investment holdings, and investment returns.

In addition to the above, accounts are reviewed in terms of specific account activity and volatility of returns.

Factors Triggering a Review

In addition to periodic reviews, Adviser also performs reviews of its client's accounts as appropriate based on changes in market conditions, security positions or changes in a client's investment objective or policies, or in response to a request by a client for a meeting or the occurrence of such meeting.

Client Reports

Adviser provides clients with statements and/or written reports typically on a quarterly basis. Reports may include a summary of all activity in the account, purchases and sales of securities, and any debits and credits to the account, a summary of holdings including a portfolio valuation, and the change in value of the client's account(s) during the reporting period. See Item 15 regarding statements sent by qualified custodians.

A copy of the annual audited financials is sent to all investors in the EFGCA Funds.

Item 14 CLIENT REFERRALS AND OTHER COMPENSATION

Other Compensation

EFGCA Investment Services, Inc., the parent company to the Adviser, provides administrative services to the Adviser and to some of Adviser's clients. EFGCA Investment Services (Cayman) Ltd. an affiliate of Adviser, provides administration services to some of the Adviser's clients. Both companies are compensated by the clients of the Adviser according to standardized fully disclosed fee schedules.

Compensation for Client Referrals

From time to time, Adviser may make cash payments for client referrals to persons other than employees of Adviser. Adviser makes such payments to Asesores Y Gestores Financieros Fondos, SGIIC, SA ("A&G"), an affiliate of Advisor, and to certain third parties who refer clients to Adviser, Adviser pays the referring party a percentage of the fees earned by Adviser from the referred clients, pursuant to applicable laws including Rule 206(4)-3 under the Advisers Act, when required.

Item 15 CUSTODY

Rule 206(4)-2 under the Investment Advisers Act of 1940, states that an adviser will be deemed to have “custody” of client assets if the adviser holds, directly or indirectly, client funds or securities, or has any authority to obtain possession of them in connection with the advisory services. EFGCA has adopted this policy to govern the safeguarding of cash and portfolio securities of EFGCA clients held at affiliated and unaffiliated qualified custodians.

Clients other than EFGCA Funds are sent at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client’s investment assets. Adviser urges the client to carefully review such statements and compare such official custodial records to the account statements that we may provide the client. Statements from the Adviser may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. EFGCA complies with the requirements by undergoing an annual surprise examination by an independent public accountant that is registered with Public Company Accounting Oversight Board (PCAOB) to verify client assets.

EFGCA Funds are audited annually and audited financial statements are delivered to EFGCA Fund investors as required under Rule 206(4)-2 of the Advisers Act.

Item 16 INVESTMENT DISCRETION

Adviser generally receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, such discretion is exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Adviser observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions are provided to Adviser in writing.

Item 17 VOTING CLIENT SECURITIES

Proxy Voting Policies – Authority to Vote

Adviser generally votes proxies relating to securities held in discretionary client accounts. Arrangements may also be made to forward the proxies to clients for their voting if the client instructs otherwise. If Adviser votes a proxy, a record of how Adviser has voted is available free of charge and will be provided upon a client’s request.

SEC-registered advisers that have the authority to vote proxies (which authority may be implied from a general grant of investment discretion) are required to adopt policies and procedures reasonably designed to ensure, among other things, that the adviser votes proxies in the best interests of its clients. Advisers also must maintain certain records on proxy voting. Adviser’s proxy voting policies and procedures are set out below. Additional information will be provided at the request of a client.

In accounts where Adviser votes proxies, Adviser will determine to vote a proxy depending on, among other things, the cost of analyzing the proxy compared to the expected benefit of the vote to its clients, the subject of the proxy and the size of the position the clients hold in the issuer (proxies of issuers in which clients hold a small position are less likely to be voted than those for issuers in which clients have made a controlling investment). In determining how to vote individual proxies, Adviser shall take into account the best interests of its clients as well as any potential conflicts of interest among its clients and Adviser or its affiliates. Adviser or its delegate shall make and keep a written record of how all proxies have been voted on behalf of clients. Adviser is responsible for identifying any potential conflicts of interest that may arise in the proxy voting process.

Examples of conflicts may include situations where Adviser or its affiliates have a material business relationship with a proponent of a proxy proposal, which may influence how the vote is cast, or has a business or personal relationship with participants in a proxy contest, directors, or candidates for directorships (other than by virtue of Adviser employee's status as a director of the company). Adviser will refer any such conflicts of interest to the Designated Principals for resolution.

Adviser will retain (i) its proxy voting policies and procedures; (ii) proxy statements received regarding client securities (Adviser may rely on proxy statements filed on the SEC's EDGAR system instead of keeping its own copies); (iii) records of votes cast on behalf of clients; (iv) records of clients requests for proxy voting information, and (v) any specific documents Adviser prepared that were material to making a decision how to vote, or that memorialized the basis for the decision.

Proxy Voting Policies – No Authority

For securities held in non-discretionary accounts, the Adviser and/or portfolio manager will not vote, nor give any advice about how to vote, proxies, nor advise, nor act for the client in any legal proceedings. Typically, clients with non-discretionary accounts will receive proxies and notices related to legal proceedings from their custodian or a transfer agent. To the extent Adviser receives such materials, Adviser will forward them to the client.

Item 18 FINANCIAL INFORMATION

Financial Conditions and Bankruptcy Petition

Adviser does not require or solicit prepayment of fees. Adviser 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.