

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page



Carma Advisory Società di Consulenza Finanziaria SRL Viale
Europa 23 c/o Blue Business Palace – 64023 Mosciano Sant’Angelo (TE)
– Italy
www.carmaadvisory.com

This brochure provides information about the qualifications and business practices of Carma Advisory Società di Consulenza Finanziaria SRL. If you have any questions about the contents of this brochure, please contact us at +39 085 994 3195 and/or info@carmaadvisory.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Additional information about Carma Advisory Società di Consulenza Finanziaria SRL also is available on the SEC’s website at www.adviserinfo.sec.gov.

Carma Advisory Società di Consulenza Finanziaria SRL’s registration as an investment adviser does not imply a certain level of skill or training.

Effective Date: March 21, 2019

Item 2 Material Changes

Last Annual Update: March 21, 2019

Summary of Material Changes

This section will be updated as required in the event any material changes are made to the Carma Advisory Società di Consulenza Finanziaria SRL Firm Brochure (the “Brochure”).

The following material changes have been made to this Information Brochure since the most recent amendment:

- **Item 10. Other Financial Industry Activities and Affiliations (p. 11):**

- **Affiliated Entities.**

- Carma Advisory has relationships or arrangements with the following affiliated entities that may create a potential conflict of interest:

- **Carma Capital Partners Sicav plc**

- Carma Advisory owns 100% of the founder shares of Carma Capital Partners Sicav plc, a multi-fund limited liability investment company with variable share capital (SICAV) licensed by the Malta Financial Services Authority (“MFSA”) as a Professional Investor Fund (“PIF”). The Sicav is intended exclusively for European investors and cannot be offered to US citizens.

- **Item 10. Other Financial Industry Activities and Affiliations (p. 11):**

- **Other Investment Advisers.**

- Carma Advisory has relationships or arrangements with the following Portfolio Managers that may create a potential conflict of interest:

- At present, Mr. Alessandro Cocciola, in his individual capacity, serves as the Director of Carma Capital Partners Sicav plc, a multi-fund limited liability investment company with variable share capital (SICAV) licensed by the Malta Financial Services Authority (“MFSA”) as a Professional Investor Fund (“PIF”). The Sicav is intended exclusively for European investors and cannot be offered to US citizens.

- Additionally, Mr. Alessandro Cocciola serves as the Portfolio Manager for Carma Capital Partners Sicav plc – Audere Fund, a “sub-fund” of Carma Capital Partners Sicav plc.

- **Form ADV Part 2B (p. 18):**

- **Other Business Activities.**

At present, Mr. Alessandro Cocciola, in his individual capacity, serves as the Director of Carma Capital Partners Sicav plc, a multi-fund limited liability investment company with variable share capital (SICAV) licensed by the Malta Financial Services Authority (“MFSA”) as a Professional Investor Fund (“PIF”). The Sicav is intended exclusively for European investors and cannot be offered to US citizens.

Additionally, Mr. Alessandro Cocciola serves as the Portfolio Manager for Carma Capital Partners Sicav plc – Audere Fund, a “sub-fund” of Carma Capital Partners Sicav plc.

- **Form ADV Part 2B (p. 19):**

- **Additional Compensation.**

- Mr. Cocciola, in his capacity as Director of Director of Carma Capital Partners Sicav plc and Portfolio Manager of Carma Capital Partners Sicav plc – Audere Fund receives compensations on for portfolio management services of Carma Capital Partners Sicav plc – Audere Fund.

Delivery Requirements

We will provide a summary of any material changes to this Brochure to our clients at least annually, within 120 days of our fiscal year end. Furthermore, we will provide our clients with other interim disclosures about material changes as necessary.

A complete copy of our current Form ADV Part 2A and/or 2B may be requested free of charge by contacting us by telephone at +39 085 994 3195 or by email at info@carmaadvisory.com.

Item 3 Table of Contents

ITEM 1 COVER PAGE.....	1
ITEM 2 MATERIAL CHANGES	2
ITEM 3 TABLE OF CONTENTS	4
ITEM 4 ADVISORY BUSINESS	5
ITEM 5 FEES AND COMPENSATION	7
ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	9
ITEM 7 TYPES OF CLIENTS.....	9
ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	10
ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	11
ITEM 12 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	12
ITEM 13 BROKERAGE PRACTICES	13
ITEM 14 REVIEW OF ACCOUNTS.....	15
ITEM 15 CLIENT REFERRALS AND OTHER COMPENSATION	16
ITEM 16 CUSTODY	16
ITEM 17 INVESTMENT DISCRETION.....	17
ITEM 18 VOTING CLIENT SECURITIES.....	17
ITEM 19 FINANCIAL INFORMATION	18

Item 4 Advisory Business

FIRM DESCRIPTION

Carma Advisory Società di Consulenza Finanziaria SRL (hereinafter referred to as “Carma Advisory”, “we”, “us”, or “our firm”) is a Società a Responsabilità Limitata (equivalent to a limited liability company) with its principal office located in Italy and has been in business as a registered investment adviser since 2017. The principal owner and director of the firm is Alessandro Cociola. The firm has two additional shareholders who each own less than 25% of the company.

As a registered investment adviser, we are a fiduciary to you, our client, meaning we have a fundamental obligation to act and provide investment advice that is in your best interest. Should any material conflicts of interest exist that might affect the impartiality of our investment advice, they will be disclosed to you in this Brochure. We urge you to review this Brochure carefully and consider our qualifications, business practices and the nature of our advisory services before becoming our client.

As of December 31, 2018, Carma Advisory manages \$559,090 of client assets on a discretionary basis and \$0 on a non-discretionary basis.

ADVISORY PROGRAMS

Carma Advisory provides investment management and signal provider services to our clients using our proprietary quantitative trading system. In connection with our investment advisory services, Carma Advisory primarily provides advice with respect to equities (common stocks and equivalents), exchange traded funds, and options contracts. Our advice is generally limited to these types of investments, but we reserve the right to advise or not advise our clients on certain investments should we deem it appropriate based on their particular circumstances. For more information on our investment strategies, please refer to the “Methods of Analysis, Investment Strategies and Risk of Loss” section of this Brochure.

Our advisory services are offered through certain individuals who have registered with Carma Advisory as its investment adviser representatives (“advisors”). Clients should refer to such advisor’s Form ADV Part 2B (the “Brochure Supplement”) for more information about their qualifications.

Carma Advisory’s advisory services are tailored to the needs of our clients based on their individual investment objectives, risk tolerance, cash or income needs, and any investment restrictions. Although Carma Advisory seeks to accommodate any reasonable investment restrictions or guidelines set by our clients, we may decline to accommodate certain investment

restrictions that are incompatible with our firms' investment philosophy or that may have an adverse effect on our ability to manage your account.

Carma Advisory enters into formal written agreements with our clients setting forth the terms and conditions under which we will provide our advisory services (the "Engagement Agreement"). The Engagement Agreement sets forth the scope of the services to be provided and the compensation we receive from the client for such services. The Engagement Agreement may be terminated by either party in writing at any time by giving thirty (30) days signed written notice to the other party.

Our advisors offer all or any combination of the advisory services described below to our clients:

Investment Management Services. Carma Advisory provides investment management services where client portfolios are managed according to the client's stated investment goals and objectives. Working closely with an advisor, clients will establish realistic and measurable investment goals and objectives to meet those goals will be defined. An advisor will recommend that clients allocate their investment portfolio among various asset classes, then once the appropriate asset allocation has been determined, the portfolio will be monitored and rebalanced on an ongoing basis as changes in market conditions and client circumstances occur. As part of these investment management services, we have an ongoing responsibility to select and make recommendations to our clients as to specific securities or other investments that may be purchased or sold for a client's portfolio.

Carma generally exercises discretionary authority over client investments where we manage the client's account(s) without client consultation after the initial establishment of the client's investment objectives and appropriate asset allocation. Carma Advisory receives discretionary authority from our clients through our Engagement Agreement at the outset of our advisory relationship.

Signal Provider Services. For clients subscribed to these services, Carma Advisory provides signals regarding when to buy or sell certain securities on a continuous basis based on a specific model portfolio. Carma Advisory does not manage or exercise investment discretion or trading authority over these client portfolios. Carma Advisory does not monitor the client's investments.

Wrap Fee Programs. Carma Advisory does not participate in any wrap fee programs.

Important Note: It is the client's responsibility to ensure that Carma Advisory is promptly notified if there are ever any significant changes to their financial situation, goals, objectives or needs so we can review our previous recommendations and make any necessary adjustments.

Item 5 Fees and Compensation

ADVISORY FEES

The following information describes how Carma Advisory is compensated for the advisory services we provide to our clients. The specific manner in which fees are charged and the compensation we receive may differ between clients depending upon the individual Engagement Agreement with each client. Carma Advisory reserves the right to negotiate our compensation with clients depending on the scope of our advisory relationship, and we may charge higher or lower fees than are available from other firms for comparable services. Carma Advisory has the general discretion to waive all or a portion of our fees, but typically only exercises this discretion for our employees.

Investment Management Fees. In consideration for providing investment management services, Carma Advisory receives compensation from clients based both on (i) a specified percentage of the assets we manage, and (ii) performance achieved for the client's account, as described below.

Pursuant to the terms of the Engagement Agreement with the client, Carma Advisory charges an annual management fee of up to 2.00% based on the client's assets under management ("AUM"), billed monthly in arrears and, for certain qualified clients and if agreed upon in writing, an additional annual performance-based profit allocation of up to 20% of each investor's annual net realized and unrealized profits. Our performance-based profit allocations are deducted from each investor's account at the end of each year or when an investor makes a withdrawal (pro-rated based on the amount withdrawn). These fees are subject to specific negotiations with each particular client.

Our performance-based profit allocations are deducted from each investor's account at the end of each year or when an investor makes a withdrawal (pro-rated based on the amount withdrawn). These fees are subject to specific negotiations with each particular client.

If a client chooses, our investment management fees are deducted from the client's account(s), pursuant to the client's written instructions to the broker/dealer holding the account (the "qualified custodian"). Specifically, clients can elect to use Interactive Brokers' automatic advisor fee billing functionality, through which the client authorizes the qualified custodian in writing to automatically deduct a certain amount of fees from their account(s) and remit the fees to us. Clients specify the method by which our fees will be calculated as well as the timing of the deductions (i.e., monthly, annually, etc.). This request may be made in the client's account application to the qualified custodian or at any time after that, and the client may change his billing instructions to the qualified custodian at any time. Once this written request from the client is processed, the qualified custodian will calculate the fees according to the method specified by the client. Our firm does not have the authority to request that the qualified

custodian withdraw any fees from the client's accounts or make any adjustments to clients' predetermined fee calculation method (other than to reduce the fee).

Signal Provider Fees. The terms and conditions under which Carma Advisory provides its trading signals are set forth in separate written agreements between Carma Advisory and the client. Payment arrangements are determined on a case-by-case basis and will be detailed in the signed engagement agreement.

Sub-Advisors. Carma Advisory may also provide investment management services as a sub-adviser to certain accounts. In other words, an investor may engage an independent investment adviser (the "primary adviser") which, in turn engages Carma Advisory to provide portfolio management services to all or part of such investor's portfolio. In this situation, Carma Advisory charges an annual asset-based fee up to 2% to the primary advisor based on the client's assets under management ("AUM") as valued by the custodian and/or an annual performance-based profit allocation of up to 20% of each investor's annual net realized and unrealized profits.

As compensation for assistance provided by the Carma Advisory to the primary advisor in connection with Carma Advisory's performance of services with respect to such accounts, the primary advisor may pay to Carma Advisory a portion of the fee it receives for such sub-advised accounts.

Additional Fees and Expenses. Clients will incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or qualified custodian through which account transactions are executed. For more information on our brokerage practices, please refer to the "Brokerage Practices" section of this Brochure.

The fees that clients pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or exchange traded funds (described in each fund's prospectus) to their shareholders. The fees charged directly by mutual funds and exchange traded funds will typically include a management fee and other fund expenses.

To fully understand the total costs associated with their investment portfolio, clients should review all the fees charged by mutual funds, exchange traded funds, our firm and others.

Termination. The Engagement Agreement with our clients may be terminated by either party at any time upon thirty (30) days written notice. Upon termination of our status as the client's investment adviser, Carma Advisory will not take any further action with respect to the client's account(s) unless specifically notified by the client in writing. Clients will be responsible for instructing their custodian and monitoring their account for the final disposition of assets.

Refunds. Upon receipt of a proper notice of termination from the client, as described in the Engagement Agreement, any earned unpaid fees will be billed on a pro-rata basis based on the amount of work performed by us up to the point of termination.

Brokerage Commissions. Carma Advisory does not receive brokerage commissions from the sale of securities or other investment products. Our compensation for recommending securities and investment products is limited to the advisory fees described above.

Any material conflicts of interest between clients and Carma Advisory or our employees are disclosed in this Brochure. If at any time, additional material conflicts of interest develop, Carma Advisory will provide our clients with written notification of those material conflicts of interest or an updated Brochure.

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

PERFORMANCE BASED FEES

Carma Advisory may enter into performance-based or incentive fee arrangements subject to Section 205 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and in accordance with the exemption set forth in Rule 205-3 under the Advisers Act, while also taking into consideration the investment objectives of the client, as well as what we deem to be reasonable performance goals.

SIDE-BY-SIDE MANAGEMENT

“Side-by-side management” refers to the simultaneous management of multiple types of client accounts. Our advisors may be responsible for the management of performance-based fee accounts and the management of accounts with asset-based fee arrangements. This creates a potential conflict of interest since we may have an incentive to favor accounts for which we receive performance-based fees over other accounts in the allocation of investment opportunities. Carma Advisory has adopted procedures to ensure that 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

TYPES OF CLIENTS

Carma Advisory offers investment advisory services to a diverse group of clients including individuals, high net worth individuals, trusts, investment companies (including mutual funds) and other investment advisers. Client relationships may vary in scope and length of service.

ACCOUNT REQUIREMENTS

Carma Advisory generally requires a minimum portfolio size of \$50,000 for our discretionary investment management services. We do not require a minimum portfolio size for our signal provider services.

For performance-based fee arrangements, clients must meet the definition of a “qualified client” under Rule 205-3 of the Advisers Act.

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

METHODS OF ANALYSIS

Carma Advisory is specialized in the development of quantitative trading systems. Our firm conviction is that a mathematical approach to trading using technical and quantitative analysis provides a distinct advantage over a traditional buy and hold approach. One of our methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

Our investment strategies seek diversification among trading methodologies, security types, and geographical focus. Our firm strives to build portfolios that are flexible and diversified to control the risk associated with the capital markets. Strategies are continually tested and adjusted over time to adapt to changing and constantly evolving market conditions.

Carma US Stocks Long/Short Strategy.

The US Stocks Long/Short Strategy seeks to capture consistent absolute returns and outperform the S&P 500 Index with lower volatility and drawdown. The strategy is a quantitative long/short equity strategy that utilizes a systematic model. The system trades only highly liquid stocks and takes long and short positions.

Carma Global Stocks Long/Short Strategy.

The Global Stocks Long/Short Strategy seeks to capture consistent absolute returns and outperform the MSCI World Index with lower volatility and drawdown. The strategy is a quantitative long/short equity strategy that utilizes a systematic model. The system trades only highly liquid international stocks and takes long and short positions.

Risk management is integrated into our process through the use of appropriate risk levels on each position. The value of securities used in our strategies may go up or down in response to factors not within our control, including but not limited to the status of an individual company underlying a security, or the general economic climate.

RISK OF LOSS

Any investment carries a certain degree of risk, including a possible loss of principal that clients should be prepared to bear. The value of securities used in all of our strategies may go up or down in response to factors not within our control, such as but not limited to the status of an individual company underlying a security, or the general economic climate. There is no guarantee that any of the investment strategies that our firm employs will outperform the investment strategies used by other firms. Past performance is no guarantee of future results.

Investors should be aware their investment is not guaranteed and understand that there is a risk of loss of value in their investment.

Item 9 Disciplinary Information

REQUIRED DISCLOSURES

Our firm and our management persons have not been involved in any legal or disciplinary events that would have a material adverse effect on the management or other services we provide to our clients.

Item 10 Other Financial Industry Activities and Affiliations

OUTSIDE BUSINESS ACTIVITIES

Neither Carma Advisory nor any of its employees are registered, or have an application pending to register, as a broker-dealer or registered representative of a broker dealer, futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

AFFILIATED ENTITIES

Carma Advisory has relationships or arrangements with the following affiliated entities that may create a potential conflict of interest:

Carma Capital Partners Sicav plc

Carma Advisory owns 100% of the founder shares of Carma Capital Partners Sicav plc, a multi-fund limited liability investment company with variable share capital (SICAV) licensed by the Malta Financial Services Authority (“MFSA”) as a Professional Investor Fund (“PIF”). The Sicav is intended exclusively for European investors and cannot be offered to US citizens.

OTHER INVESTMENT ADVISERS

Carma Advisory has relationships or arrangements with the following Portfolio Managers that may create a potential conflict of interest:

At present, Mr. Alessandro Cocciola, in his individual capacity, serves as the Director of Carma Capital Partners Sicav plc, a multi-fund limited liability investment company with variable share capital (SICAV) licensed by the Malta Financial Services Authority (“MFSA”) as a Professional Investor Fund (“PIF”). The Sicav is intended exclusively for European investors and cannot be offered to US citizens.

Additionally, Mr. Alessandro Cocciola serves as the Portfolio Manager for Carma Capital Partners Sicav plc – Audere Fund, a “sub-fund” of Carma Capital Partners Sicav plc.

Item 12 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

CODE OF ETHICS

Carma Advisory has adopted a Code of Ethics (the “Code”) that sets forth a standard of business conduct for our firm and all our associated persons. The purpose of the Code is to set out ideals for integrity, objectivity, competence, fairness, confidentiality, professionalism and diligence for our firm and our associated persons to espouse in the interest of our clients and investor protection. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All employees of Carma Advisory are required to handle their personal securities transactions in such a manner as to avoid any actual or potential conflicts of interest or any abuse of position of trust and responsibility. Annually, we require all employees to certify that they have read, understand and will comply with the Code.

Clients and prospective clients may request a full copy of our firm's Code of Ethics by contacting our firm in writing at Carma Advisory Società di Consulenza Finanziaria SRL, Viale Europa 23 c/o Blue Business Palace – 64023, Mosciano Sant'Angelo (TE) – Italy, or emailing our firm at info@carmaadvisory.com.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Carma Advisory and/or our advisors may invest in the same securities that are recommended to and/or purchased for our clients. Carma Advisory has adopted procedures designed to assure that the personal securities transactions, activities and interests of Carma Advisory and/or our advisors will not interfere with our ability to make investment decisions in the best interest of our clients.

PERSONAL TRADING

Carma Advisory maintains and enforces written policies and procedures reasonably designed to prevent the misuse of material non-public information by our firm or any access persons of our firm with regards to their personal securities transactions. Personal trading activities are continually monitored to reasonably prevent conflicts of interest between our firm and our clients.

Item 13 Brokerage Practices

SELECTION OF BROKER-DEALERS

Securities transactions are generally executed through Interactive Brokers, LLC. ("Interactive Brokers"), member FINRA/SIPC/NYSE. Interactive Brokers maintains custody of our clients' assets and effects securities transactions for our investment management clients' accounts. Carma Advisory is independently owned and operated and is not affiliated with or a related person of Interactive Brokers.

Carma Advisory considers a number of factors prior to recommending a particular broker-dealer to our clients, including but not limited to, their familiarity with the securities to be sold or purchased, their execution skills, order-flow capabilities, their commission rates or other fee schedules, their custodial services, their level of net capital (financial strength) and excess SIPC and other insurance coverage. The commissions charged by Interactive Brokers are competitive with similarly situated retail broker-dealers offering the same variety of securities to clients. Clients are advised, however, that they may be able to effect transactions in securities through other broker-dealers at lower commission rates, particularly with respect to securities listed on a national securities exchange or in the over-the-counter market.

Research and Other Soft Dollar Benefits. Interactive Brokers offers products or services other than execution that assist our firm in managing and administering client accounts. These may include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), facilitate payment of our fees from clients' accounts, and assist with back office functions, record keeping and client reporting. These services may be used to service all or a substantial number of client accounts, including accounts not maintained at Interactive Brokers.

Carma Advisory may also receive services from Interactive Brokers or its affiliates that are intended to help our firm manage and further develop our business. These services may include registration support through Greenwich Compliance, website design and technology support. Interactive Brokers also has arrangements with various product vendors, which enable our firm to purchase their products at a discount. These products may include such items as: client reporting and consolidated statement software; client communication software; client relationship management software; compliance assistance; and investment research.

Carma Advisory does not participate in any commission-sharing arrangements or receive soft dollar credits. While the benefits we receive from Interactive Brokers do not depend on the amount of brokerage transactions directed to Interactive Brokers, as a fiduciary we are required to disclose that there is an inherent conflict of interest when our firm recommends that clients maintain their assets at Interactive Brokers. These recommendations may be based in part on the benefits we receive from Interactive Brokers, such as the availability of the abovementioned products and services, and not solely on our clients' interest in receiving most favorable execution. Nonetheless, we seek to ensure that the securities transactions effected for our clients represent the best qualitative execution, not just the lowest possible cost.

Our firm routinely compares order execution disclosure information at Interactive Brokers to other broker-dealers to ensure that Interactive Brokers remains competitive in providing best execution for our clients' securities transactions. Although the brokerage commissions and/or transaction fees charged by Interactive Brokers may be higher or lower than those charged by other broker-dealers, in seeking best execution for our clients our firm strives to ensure that our clients pay brokerage commissions and/or transactions fees which we have determined, in good faith, to be reasonable in relation to the value of the brokerage and other services provided by Interactive Brokers.

Brokerage for Client Referrals. Carma Advisory does not consider broker-dealer or third party referrals in selecting or recommending broker-dealers to our clients as this would create a conflict of interest.

Directed Brokerage. While Carma Advisory generally recommends that clients direct transactions through Interactive Brokers, we do not have discretionary authority to determine the broker-

dealer to be used for the purchase or sale of securities for client accounts or the commission rates paid to a broker-dealer for client securities transactions.

In rare cases, Carma Advisory may utilize other broker-dealers when requested by the client. Clients of Carma Advisory must be aware that if they direct us to use a particular broker-dealer that it may limit our ability to achieve best execution or limit their participation in block trading. As a result, clients may pay higher commissions, have higher transaction costs, or receive less favorable prices. In situations where the client directs us to effect their transactions through a particular broker-dealer, we require such directions to be in writing.

TRADE AGGREGATION

Transactions in client accounts will generally be effected independently. If we decide to purchase or sell the same securities for several clients at approximately the same time, trade orders will be aggregated pursuant to our firm's trade aggregation procedures. Investment decisions deemed appropriate for one client may also be deemed appropriate for other clients so that the same security may be purchased or sold at or about the same time for more than one client. When this is the case our firm may, but is not obligated to, aggregate similar trades for multiple clients and execute the trade as a single block.

When transactions are so aggregated, the securities purchased or sold will be allocated in a fair and equitable manner. Our trade allocation procedures seek to allocate investment opportunities among our clients in the fairest possible way taking into account their best interests. These procedures ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Transactions are usually aggregated to seek a more advantageous net price and/or to obtain better execution for all clients. Nevertheless, there is no assurance that the aggregation of transactions will benefit all clients equally, and in some instances combined orders could adversely affect the price or volume of a security. Also, it is possible that we may not aggregate trades in circumstances where it would be beneficial to do so.

TRADE ERRORS

From time to time, our firm may make a trade error when servicing a client's account. When this occurs, we will correct the trade as soon as we discover the error. Trading errors will be corrected at no cost to clients. In most cases, we will correct trade errors via our executing broker-dealer's trade error desk. If there is a cost associated with this correction, such cost is borne by Carma Advisory and not the client. Note that we do not credit accounts for market losses unrelated to our error.

Item 14 Review of Accounts

ACCOUNT REVIEWS

Carma Advisory conducts account reviews on an ongoing basis for clients subscribed to our investment management services. The frequency of the review depends upon a variety of factors such as: the client's risk profile, activity in the account, economic and market conditions, and the client's preferences, if any. Additional reviews may be triggered by changes in the investment objectives or guidelines for a particular client or specific arrangements with the client.

Formal client review meetings are generally conducted remotely (via telephone, Skype or similar) on a regular basis at intervals mutually agreed upon by the advisor and the client. During these reviews, any changes in the client's investment objectives are discussed so we can review our previous recommendations and make any necessary adjustments.

ACCOUNT REPORTS

Clients have direct and continuous access to their account information and related documents via the password-protected website of the qualified custodian with which their accounts are held.

Item 15 Client Referrals and Other Compensation

CLIENT REFERRALS

Our firm does not currently compensate third-parties (or "solicitors") to promote the investment advisory services offered by our firm, because the solicitor would have to satisfy requirements under Rule 206(4)-3 of the Advisers Act or similar state rules regarding solicitation arrangements before a cash referral fee could be paid to them.

OTHER COMPENSATION

Carma Advisory does not receive an economic benefit from anyone who is not a client in exchange for our provision of investment advice or other advisory services.

Item 16 Custody

CUSTODY OF CLIENT FUNDS AND SECURITIES

Carma Advisory does not exercise custody over client assets or accounts. Interactive Brokers is the qualified custodian and maintains custody of client funds in separate brokerage account(s) for each client under the client's name. Carma Advisory personnel may assist the client in preparing paperwork to open a new brokerage account at Interactive Brokers, but only the client is permitted to authorize, by their signature, the opening of the account. Interactive Brokers

sends an account-opening letter to each client at their physical mailing address after the account is approved.

Clients can access daily, monthly and annual account statements as well as daily trade confirmations through a password protected portion of Interactive Brokers' website, www.interactivebrokers.com. Clients should also expect to receive quarterly account summaries from the qualified custodian by first-class mail. Clients should carefully review the account statements and summaries received from the qualified custodian(s) and compare such official custodial statements to any account reports provided by Carma Advisory. Any client that does not receive an account statement or summary from the qualified custodian should call our firm immediately so that we can arrange to have another statement sent by the custodian.

Clients can also access information concerning their account(s) and access (and generally change) the settings for their brokerage account online on the Interactive Brokers website at www.interactivebrokers.com.

Item 17 Investment Discretion

DISCRETIONARY AUTHORITY

Carma Advisory manages client securities portfolios on a discretionary basis. Carma Advisory is granted limited discretionary authority in writing by the client at the outset of the advisory relationship. This limited discretionary authorization gives Carma Advisory the authority to manage the client's investment assets at our firm's sole discretion and without consulting with the client in advance, subject to the investment objectives, guidelines and restrictions set by the client. This authorization will remain in full force and effect until we receive a written termination notice of the Engagement Agreement from the client.

Carma Advisory does not have discretionary authority to determine what broker-dealer to use or the amount of commissions that are charged by the broker-dealer or custodian.

Item 18 Voting Client Securities

AUTHORITY TO VOTE CLIENT PROXIES

Carma Advisory does not accept authority from clients with respect to voting of proxies solicited by, or with respect to, the issuers of any securities held in client portfolios. The qualified custodian holding clients' assets will send all such proxy documents it receives to the client so that the client may take whatever action the client deems appropriate. Carma Advisory does not offer clients any consulting assistance regarding proxy issues.

Item 19 Financial Information

REQUIRED DISCLOSURES

As previously discussed in this brochure, Carma Advisory may accept limited discretionary authority when providing investment management services if agreed upon in writing with the client. Carma Advisory does not require or solicit prepayment of fees from our clients.

Carma Advisory has no financial commitments that would impair our firm's ability to meet our contractual and fiduciary commitments to our clients and has not been the subject of a bankruptcy proceeding.

Form ADV Part 2B: Brochure Supplement



Carma Advisory Società di Consulenza Finanziaria SRL Viale
Europa 23 c/o Blue Business Palace – 64023 Mosciano S.
Angelo (TE) – Italy
www.carmaadvisory.com

This brochure supplement provides information about our supervised persons that supplements the Carma Advisory Società di Consulenza Finanziaria SRL brochure. You should have received a copy of that brochure. Please contact our firm if you did not receive Carma Advisory Società di Consulenza Finanziaria SRL's brochure or if you have any questions about the contents of this supplement.

Additional information about the supervised persons mentioned in this brochure supplement is available on the SEC's website at www.adviserinfo.sec.gov.

Effective Date: August 4, 2017

SUPERVISED PERSONS: Alessandro Cocciola

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name: Alessandro Cocciola

Year of Birth: 1980

Education: Laurea magistrale (equivalent to master's degree) in Economics and Banking, Cum Laude, 2005
University of Macerata; Macerata, Italy

Experience: Principal Managing Partner
Carma Advisory Società di Consulenza Finanziaria SRL; Mosciano
Sant'Angelo, Italy
(2013 – Present)

Risk Manager
3P SIM; Rome, Italy
(2009 – 2013)

Junior Asset Manager
Banca Finnat Euramerica; Rome, Italy
(2005 – 2009)

DISCIPLINARY INFORMATION

Mr. Cocciola has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of the integrity of our management.

OTHER BUSINESS ACTIVITIES

At present, Mr. Alessandro Cocciola, in his individual capacity, serves as the Director of Carma Capital Partners Sicav plc, a multi-fund limited liability investment company with variable share capital (SICAV) licensed by the Malta Financial Services Authority ("MFSA") as a Professional Investor Fund ("PIF"). The Sicav is intended exclusively for European investors and cannot be offered to US citizens.

Additionally, Mr. Alessandro Cocciola serves as the Portfolio Manager for Carma Capital Partners Sicav plc – Audere Fund, a "sub-fund" of Carma Capital Partners Sicav plc.

ADDITIONAL COMPENSATION

Mr. Cocciola , in his capacity as Director of Director of Carma Capital Partners Sicav plc and Portfolio Manager of Carma Capital Partners Sicav plc – Audere Fund receives compensations on for portfolio management services of Carma Capital Partners Sicav plc – Audere Fund.

SUPERVISION

Mr. Alessandro Cocciola is the sole principal and Chief Compliance Officer (“CCO”) of our firm and as such has no internal supervision placed over him. He is, however, bound by our firm’s Code of Ethics. The CCO may be contacted at +39 085 994 3195 or by email at info@carmaadvisory.com.