

# TGL AG

## Part 2A of Form ADV

### Firm Brochure

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This brochure provides information about the qualifications and business practices of TGL AG (“TGL” or the “Firm”), a registered investment adviser. If you have any questions about the contents of this brochure, please contact us at +41 41 410 6754. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration with the Securities and Exchange Commission does not imply a certain level of skill or training.

Additional information about TGL is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Material Changes**

On April 9, 2019, TGL filed its initial application to register as an investment adviser with the SEC. Accordingly, pursuant to disclosure rules under the Investment Advisers Act of 1940 (the “Advisers Act”), this is the first Brochure compiled by TGL to provide new and prospective investors (each investor a “Client”) with clearly written, meaningful, current disclosure of its business practices, conflicts of interest and background of its advisory personnel. We encourage all recipients of this Brochure to read it carefully in its entirety. In the future, this Item will identify and discuss the material changes since the prior annual update to assist Clients and make them aware of certain information that has changed since the prior year’s Brochure.

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## **Advisory Business**

TGL is a Switzerland-based investment management firm organized in January 1972 as a Switzerland corporation. The Firm is 100% owned by Mr. Bruno Reichmuth, who serves as portfolio manager and is responsible for all investment-related decisions. TGL generally causes Client assets to be invested primarily in publicly-traded global equity and debt securities across all industries and market capitalization ranges. TGL provides investment advisory services and certain administrative services to separately managed accounts on a discretionary basis.

TGL's investment objective is to generate long-term capital appreciation based on security selection and portfolio construction.

In providing services to its Clients, TGL (i) manages each Client's assets in accordance with the terms of the applicable investment advisory agreement; (ii) formulates investment objectives; (iii) directs and manages the investment and reinvestment of Client assets; and (iv) provides periodic reports to Clients. Investment restrictions, if any, are generally established in the applicable investment advisory agreement.

TGL does not participate in wrap free programs.

As of December 31, 2018, TGL managed \$6,470,000 on behalf of its Clients.

## **Fees and Compensation**

Generally, TGL's compensation for the investment advisory services it provides to Clients is comprised of an asset-based management fee. The fees specifically applicable to each Client are set forth in detail in each Client's respective investment advisory agreement.

### Management Fee

As set forth more fully in the relevant investment advisory agreement, Clients pay TGL an annual management fee of up to 1.5% of the net asset value of their account (the "Management Fee"), paid quarterly in advance.

Management Fees are calculated based on the end-of-quarter account balance. TGL generally relies on its Clients' third party custodians to value the assets in each Client's account. These valuations are utilized by TGL to compute each Client's Management Fee for the relevant period.

In instances where an account's first billing cycle is less than the full quarter, then the net asset value of the Client account at the inception of the relationship will serve as the basis for the Management Fee calculation, which will be pro-rated to reflect the shortened billing cycle. Upon termination of a Client's advisory relationship, all outstanding fees are due immediately and payable upon termination.

Fees are calculated and charged in the reference currency of each Client's account. TGL is authorized to debit the Management Fee directly from Client custodial accounts.

The Management Fee is exclusive of any brokerage commissions, custodial fees, transaction fees, sales charges and other related costs and expenses, which will be incurred directly by the Client. Clients may also incur certain charges imposed by their custodians, brokers and other third parties, in addition to other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge management fees, which are disclosed in a fund's prospectus. Such charges, expenses, costs, fees, and commissions are exclusive of and in addition to the Management Fee. TGL does not receive any portion of such commissions, fees, charges, costs, or expenses.

## **Performance Based Fees and Side-by-Side Management**

TGL does not currently receive compensation from any performance-based fee and does not participate in side by-side management.

TGL may accept engagements that include performance-based fees in compliance with Rule 205-3 promulgated by the SEC under the Advisers Act. Performance-based fees will be negotiated in advance and may be based on a share of capital gains on, or capital appreciation of, the assets of a Client.

## **Types of Clients**

TGL provides investment advisory services primarily to high net worth individuals. TGL does not impose any minimum requirements (such as minimum account size) for opening and maintaining an advisory relationship.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

### General

While each Client's investment objective is more fully set forth in the relevant investment advisory agreement, TGL's general investment objective is to generate long-term capital appreciation based on security selection and portfolio construction. TGL seeks to achieve this investment objective primarily by causing Client assets to be invested in global equity and debt securities across all industries and market capitalization ranges, and may utilize options and futures instruments.

TGL adheres to the general guidelines created at the inception of a Client relationship, and periodically reviews each Client's asset allocation. These general guidelines cover such matters as the relative proportion of debt and equity securities to be held in the portfolio, the Client's risk preferences, and the types and amounts of securities to be held in the portfolio.

### Risk of Loss

Clients should be aware that investing in securities involves a risk of financial loss. Risks that the investments in Client accounts may be subject to include, but are not limited to: market risk, liquidity risk, credit and counterparty risk, interest rate risk, event risk, currency risk, company and/or industry specific events, as well as the fluctuation in the currency and commodity markets. There may be additional risks that TGL does not foresee or consider material. Past performance should not be taken as an indication or guarantee of future results.

Accordingly, prospective Clients should carefully evaluate all attendant risks before entering into an advisory relationship with TGL. Following is a summary of certain risks that may be specifically relevant to a Client's invested assets, depending on the Client's investment advisory agreement:

#### *Market Risk*

The market values of securities owned by Client portfolios may decline, at times in an unpredictable manner. Market values of securities are affected by a number of different factors. Market risk in equity securities may be more prominent in small and mid-capitalization companies. Market values of fixed income securities may be affected by changes in interest rates, the credit quality of issuers, and general economic and market conditions.

#### *Emerging Markets Regulatory and Legal Risks*

TGL may invest in emerging markets. In emerging markets, there may be less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers and issuers than in other more established countries. Whatever supervision is in place may be subject to manipulation or control. While many emerging market countries have mature legal systems comparable to those of more developed countries, others do not. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments which could result in investment risk.

#### *Derivatives*

TGL may utilize both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of its investment approach. These instruments can be highly volatile and expose Clients to a high risk of loss. Transactions in over-the-counter contracts may involve additional risk, as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk.

#### *Cybersecurity Risk*

TGL and its service providers, including banks, broker dealers, and their affiliates, may be subject to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information, unauthorized asset transfers and various other forms of cybersecurity breaches. Cyber-attacks affecting TGL may adversely affect Client account assets. For instance, cyber-attacks may interfere with the processing

or execution of Client transactions, cause the release of confidential information, including private information about Clients, subject TGL to regulatory fines or financial losses, or cause reputational damage. Similar types of cybersecurity risks are also present for issuers of securities in which TGL may invest. These risks could result in material adverse consequences for such issuers, and may cause Client investments in such issuers to lose value.

#### *Lack of Liquidity of Client Assets; Valuation*

Client assets may, at any given time, include securities and other financial instruments or obligations that are thinly traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to accurately value any such investments.

#### *Non-U.S. Investments*

Investments in non-U.S. securities expose a Client's portfolio to risks that may not be evident in U.S. markets. Such risks include, but are not limited to: economic policies of foreign governments, withholding taxes, political risks/risk of nationalization of assets and, political instability.

### **Disciplinary Information**

TGL and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a Client's evaluation of the company or its personnel.

### **Other Financial Industry Activities and Affiliations**

Mr. Reichmuth maintains an executive position with Ebfinanz AG, an independent Swiss-based asset management company headquartered in Meggen, Switzerland. TGL has entered into an agreement with Ebfinanz AG whereby Ebfinanz AG performs portfolio management and certain administrative services for TGL and its Clients. TGL does not believe this arrangement presents a conflict of interest that may impair its ability to discharge its fiduciary duty to its Clients.

TGL and its management personnel are neither registered, nor have an application pending to register as, broker-dealers, registered representatives of a broker-dealer, future commissions merchants, commodity pool operators, commodity trading advisors, or associated persons of the foregoing entities.

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

#### Code of Ethics

TGL has adopted a written code of ethics that is applicable to all employees. Among other obligations, the code of ethics requires TGL and its employees to act in Clients' best interests, abide by all applicable regulations, and avoid even the appearance of insider trading.

As required by the Advisers Act, employees must have written clearance for all transactions involving initial public offerings or private placements before completing the transaction. TGL may disapprove any proposed transaction, particularly if the transaction appears to pose a conflict of interest or otherwise appears improper.

The code of ethics is communicated to employees upon commencement of their employment at the Firm. TGL's personal securities transactions policies and procedures apply to all accounts holding any securities over which employees have any beneficial ownership interest, which typically include accounts held by immediate family members sharing the same household. Employees are also required to provide periodic reports regarding transactions and holdings in "Reportable Securities" as defined in the Advisers Act. A copy of TGL's code of ethics is available upon request.

#### Participation in Client Transactions

TGL and its related persons may have an interest in investments that are also recommended to Clients. The Code of Ethics is designed to help ensure that personal securities transactions, activities, and interests of TGL's employees will not interfere with TGL's fiduciary duty; however, in certain circumstances the Code of Ethics may permit employees to invest personally in the same securities held by Clients. Employees' personal trading is continually monitored under the Code of Ethics.

### **Brokerage Practices**

Ebfinanz AG is typically permitted to select executing brokers when executing trades on behalf of TGL's Clients; consequently, TGL relies on the brokerage and execution capabilities of Ebfinanz AG to obtain best execution of securities transactions.

TGL may attempt to obtain contractual covenants from Ebfinanz AG to seek to obtain best execution, or perform independent reviews of execution quality obtained by Ebfinanz AG if it believes such steps are necessary or prudent. Securities or derivative transactions executed by Ebfinanz AG within Client accounts typically generate brokerage commissions and other forms of compensation, all of which will be paid by the Client.

#### *Trade Aggregation*

TGL may direct Ebfinanz AG to aggregate orders to obtain favorable execution. Such orders will generally be allocated among participating Clients in consideration of a number of factors, including, but not limited to, each Client's investment strategy, investment guidelines and restrictions, risk parameters, liquidity requirements, availability of cash to effect the trade, relative size of the participating accounts, tax considerations, existing position in a given security, and any other factor that TGL believes to be relevant to the allocation decision.



## **Review of Accounts**

Client accounts under TGL's management are monitored on an ongoing basis. These reviews include an assessment of: the valuations of the individual securities within the portfolio, an independent reconciliation of the previous day's trade breaks, cash position, long positions, positions on certain derivatives, the portfolio weightings of individual positions, the level of available cash and equivalents, and the various industry concentrations, as dictated by each Client's governing documents.

TGL provides each Client with the following reports on a periodic basis in accordance with the terms of the applicable investment advisory agreement:

- Performance information and average monthly exposures
- Quarterly Client letters

## **Client Referrals and Other Compensation**

TGL does not receive any economic benefit from someone who is not a Client. Moreover, TGL does not directly or indirectly compensate any third-party for referrals.

## **Custody**

All Client assets are held in custody by unaffiliated broker/dealers or banks; however, TGL can access Client funds through its ability to debit Management Fees. For this reason, TGL AG is considered to have custody of Client assets. The Clients' custodians send statements directly to the Client account owners on at least a quarterly basis. Clients should carefully review these statements, and should compare these statements to any account information provided by TGL.

## **Investment Discretion**

TGL will generally receive discretionary authority from its Clients at the outset of an advisory relationship. In all such cases, such discretion is to be exercised in a manner consistent with applicable law, the stated investment guidelines, policies, limitations, and restrictions of the particular Client account, the client's governing documents, and the Client's agreement with TGL.

## **Voting Client Securities**

As noted, TGL primarily directs the investment of its Clients' portfolios to Ebfinanz AG; as a result, TGL does not possess the ability to vote the proxies relating to the securities traded by Ebfinanz AG. Nevertheless, TGL recognizes the importance of strong corporate governance and shall ensure that to the extent practicable, Ebfinanz AG has developed a proxy voting policy and procedures in accordance with Rule 206(4)-6 under the Advisers Act.

In general, TGL will inquire into Ebfinanz AG's proxy voting policies and procedures on a periodic basis. Clients may contact TGL at the address or telephone number listed on the first page of this document, for a copy of the policy or information with respect to a specific proxy vote, at no cost.

## **Financial Information**

This Item is not applicable.