

Firm Brochure: Part 2A of Form ADV

Squadra Investments – Gestão de Recursos Ltda.  
Av Borges de Medeiros 633/704 – Leblon  
Rio de Janeiro – RJ – 22430-041 – Brazil  
[www.squadrainvest.com.br](http://www.squadrainvest.com.br)  
[squadra@squadrainvest.com](mailto:squadra@squadrainvest.com)

March 22<sup>nd</sup>, 2019

**This brochure provides information about the qualifications and business practices of Squadra Investments – Gestão de Recursos Ltda. If you have any questions about the contents of this brochure, please contact us at [squadra@squadrainvest.com](mailto:squadra@squadrainvest.com). 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.**

**Additional information about Squadra Investments – Gestão de Recursos Ltda. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **2. Material Change**

Since the last annual update on March 26<sup>th</sup>, 2018, no material changes have been made or implemented in Squadra Investments' business.

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## **4. Advisory Business**

### **A. Description**

Squadra Investments – Gestão de Recursos Ltda. (“Squadra Investments”) is a Brazilian investment management firm registered with the *Comissão de Valores Mobiliários* - CVM (Securities and Exchange Commission of Brazil) (“CVM”). Squadra Investments manages private funds and segregated managed accounts. The company was founded in December 2007 and the private funds were launched in May 2008. The principal owners are Guilherme Mexias Aché and Luiz Mauricio de Miranda e Silva. Squadra Investments’ partners have vast experience in the equity investment business in the Brazilian market. We are bottom-up, long-term investors, who embrace the idea of capital preservation and acknowledge the power of compounding returns over the long run.

Our main investment objective is to deliver long-term, risk-adjusted returns above the opportunity cost in Brazil to our investors. Our flagship fund has an equity long-biased absolute return strategy, which is the ideal investment concept to us. This belief is based on our view that it maximizes the investment committee potential which has a long standing experience (with solid track record in diverse market environments) in managing both long/short and long only equity portfolios in Brazil.

Currently, Squadra Investments manages two strategies: long-biased and long-only (see further disclosure under the heading “Methods of Analysis, Investment Strategies and Risk of Loss”).

### **B. Type of services**

Squadra Investments provides discretionary services to private funds and segregated managed accounts.

### **C. Tailoring**

Squadra Investments has discretionary power on the portfolios under management, subject to the restrictions of the offering memoranda, side letters and investment guidelines set forth within the investment management agreement. Such investment guidelines will also set forth any investment restrictions of the fund or account.

### **D. Wrap Fee**

Squadra Investments currently does not participate in wrap fee programs.

### **E. AUM**

As of December 31<sup>st</sup>, 2018, Squadra Investments managed approximately USD 1,702,130.000 on a discretionary basis.

## **5. Fees and Compensation**

### **A. Compensation**

Squadra Investments typically receives compensation from fees based on a percentage of assets under management and based upon the performance of the account or private fund. The private funds under management are available only to eligible Investors who are “accredited investors” as defined in Regulation D under the Securities Act of 1933, as amended (the “Securities Act”), and “qualified purchasers” or “knowledgeable employees” as defined under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Squadra Investments provides investment advisory services to each of the private funds pursuant to separate investment management agreements which, along with specific organizational documents of the Fund, set forth in detail the fee structure relevant to each such private fund. The terms of the fee arrangements are generally established at the time of the formation of the applicable private fund. Investors and prospective investors in the funds should refer to the offering documents for a detailed description of the fee schedules. Fee arrangements for the management of separately managed accounts are negotiated with each client and usually are 1.5% of the net asset value of the account. Fees are negotiable at the time the account is established.

This brochure is only available for qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act.

### **B. Fee deduction**

Squadra Investments deducts management and performance fees from the assets in the private funds, and bills the managed account clients separately. The management fee is payable on monthly basis for the private funds and on a quarterly basis for the managed accounts. The performance fee, if applicable, is payable on annual basis.

### **C. Type of fees and expenses**

The funds and managed accounts bear all expenses related to the investment program, including, but not limited to, brokerage commissions, expenses related to buying and selling securities, the management fee, independent directors compensation and, if applicable, the performance fee; fees and expenses of any custodians, interest and other borrowing expenses; legal, administrative, accounting, tax and audit expenses; expenses of preparing and distributing reports, financial statements and notices to limited partners/shareholders and the cost of periodically updating the Memorandum and the relevant Supplements. All brokerage rebates, if any, will be credited to the funds and managed accounts. No salaries, overhead and travel expenses from Squadra Investments will be charged to the funds or managed accounts.

Please see more brokerage information on item 12.

Please see private funds or segregated managed accounts documents for a complete listing of the fees and expenses applicable.

### **D. Prepayment of fees**

All fees are payable in arrears.

### **E. Sale of securities**

Squadra Investments does not charge or accept compensation in connection with the sale of securities or other investment products.

## **6. Performance-Based Fees and Side-By-Side Management**

Squadra Investments generally receives a management fee, and in some cases, an additional performance-based fee or only performance fees.

We may have a financial incentive to favor accounts with performance-based fees because we may have an opportunity to earn greater fees on such accounts as compared to client accounts without performance-based fees. Thus, we have an incentive to direct our best investment ideas to client accounts that pay performance-based fees, and to allocate, aggregate or sequence trades in favor of such accounts. We also have an incentive to give accounts with performance-based fees better execution and better brokerage commissions. In addition, performance fee arrangements may create an incentive for Squadra Investments to make investments that are riskier or more speculative.

In order to mitigate any conflict, we typically allocate orders using daily average price, among Clients based on their net asset value / net assets in managed accounts, current position size, and target position size, in order to mitigate potential conflict risks. We affirmatively intend not to favor over time any strategy/vehicle advised by us or our affiliated investment adviser.

## **7. Type of Clients**

Squadra Investments provides investment advice to private funds and managed accounts.

The private funds under management are available to non-U.S. and U.S. investors. Only U.S. investors who are “accredited investors”, as defined in Regulation D under the Securities Act, and “qualified purchasers” or “knowledgeable employees”, as defined under the Investment Company Act, may invest. The minimum investment amount in the private funds is USD \$100,000.

Terms of separately managed accounts are established on a case-by-case basis. Usually, the minimum initial investment for a managed account is USD \$50 million. Such clients may be endowments, sovereign funds, funds of funds or family office/high net worth individuals.

A side letter may be requested by a new fund investor and may provide terms that differ from those described in the fund’s governing documents.

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

We are bottom-up, long-term investors, who embrace the idea of capital preservation and acknowledge the power of compounding returns over the long run.

Our investment philosophy can be summarized as follows:

- We intend to invest in companies that offer risk adjusted returns above the long term opportunity cost in Brazil.
- We intend to avoid indexation bias.
- We intend to invest in companies which market prices are considerably different from intrinsic value (margin of safety concept).
- We have strict sell discipline and willingness to hold cash when investment opportunities are scarce.
- We tend to avoid excessive industry and company concentration as well as investments with similar risk factors.

### **Investments strategies**

Usually the net and gross exposure will be a direct function of attractive bottom-up investment ideas. Nevertheless, we can consider macro environment when making investment decision, position sizing and defining the funds net and gross exposures.

#### **Long-Biased**

Squadra Investments' long-biased strategy is an equity strategy focused on Brazilian companies that seeks risk adjusted returns above the long term opportunity cost in Brazil. Gross exposure is limited to 160% of the net asset value, while long exposure usually varies from 35% to 130% of the net asset value and net exposure from 35% to 100% of the net asset value.

#### **Long-Only**

The long-only strategy will essentially replicate the long portfolio of the long-biased strategy, subject to its restrictions (for example, exposure and liquidity limits).

### **Investment Allocations**

Separately managed accounts may not always be able to receive allocations of certain investments available to fund clients due to operational restrictions that may be beyond the control of Squadra Investments.

Investors and prospective investors in the funds should refer to the offering documents for a detailed description of the respective investment strategies.

### **Risk Factors**

Investing in securities involves the risk of loss that clients should be prepared to bear. Squadra Investments believes that the most important way to control risk is by purchasing stocks at a substantial discount to their intrinsic value and/or by selling short stocks substantially above their intrinsic value. Risk of loss will be critical in stock selection. We will constantly address specific risks by supplementing our long-term investment thesis with constant information and further testing.

Although Squadra Investments will attempt to manage those risks through careful research, ongoing monitoring of investments and appropriate hedging techniques (long-biased strategy), there can be no assurance that the securities and other instruments purchased will in fact increase in value or that will not incur significant or complete losses. More detailed information on risks relating to investments in our products is included in the offering memoranda or investment management agreements.

### **Market Risks and Liquidity**

The profitability depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that Squadra Investments will be able to predict accurately these price movements. Although Squadra Investments may attempt to mitigate market risk through the use of long and short positions or other methods, in long-biased strategy, there is always some, and occasionally a significant, degree of market risk.



Furthermore, the investments may be adversely affected by a decrease in market liquidity for the instruments in which Squadra Investments invests, which may impair the ability to adjust positions.

### **Hedging in Long-Biased Strategy**

Although Squadra Investments will attempt to hedge its exposure to some specific risks, it will not always be possible to fully hedge risks relating to certain positions and strategies. There can be no assurance that such hedging transactions will be effective.

### **Leverage, borrowing and short exposure**

Certain strategies may seek to maximize their investment positions by borrowing funds or engaging in short selling of securities. As a result, the possibilities of profit and loss are increased. Short sales theoretically involve unlimited loss potential, as the market price of securities sold short may increase continuously.

### **Derivative instruments**

Squadra Investments may use various derivative instruments, including futures, options, forward contracts, swaps and other derivatives which may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses.

### **Stock lending**

Squadra Investments may use stock lending strategy in the funds to enhance returns. All managed accounts do not permit stock lending either by operational or contractual reasons. Therefore, some differences in performance may occur.

### **Prime broker and custodian insolvency**

Investments are at risk of the prime broker entering into an insolvency procedure. During such a procedure (which may last many years) the use of assets held by or on behalf of the prime broker and custodian may be restricted and accordingly (a) the ability of Squadra Investments to fulfill the investment objective may be severely constrained, (b) funds may be required to suspend the calculation of the net asset value and as a result subscriptions for and redemptions of Shares, and/or (c) the net asset value may be otherwise affected. During such a procedure, funds are likely to be an unsecured creditors in relation to certain assets and consequently may be unable to recover such assets from the insolvent estate of the prime broker and custodian in full, or at all.

### **Counterparty and settlement risk**

In the event that any counterparty fails to complete its obligations for any reason, investments may suffer losses. Investments will therefore be exposed to a credit risk on the counterparties with which it trades. The client will also bear the risk of settlement default by clearing houses and exchanges.

### **Risks of global investing**

Investments are subject to risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the base currency and the various other currencies, and costs associated with conversion of investment principal and income from one currency into another, and (ii) the possible imposition of withholding taxes on income received from the issuer of, or gains with respect to, such securities. In addition, investing in certain of these capital markets involves certain factors not typically associated with investing in established securities markets, including risks relating to (a) differences between markets, including potential price volatility in and relative illiquidity of some securities markets, (b) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and less governmental supervision and regulation, and (c) certain economic and political risks, including potential exchange control regulations and potential restrictions on investment and repatriation of capital.

### **Investing in Brazil – general economic and market conditions**

It is anticipated that a significant part of the investments will be comprised of securities of Brazilian companies.

The success of investment activities will be affected by general economic and market conditions in Brazil, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances. These factors may affect the level and

volatility of securities prices and the liquidity of the fund's assets. Volatility or illiquidity could impair profitability or result in losses.

The Brazilian economy may differ favorably or unfavorably from the U.S. or other developed economies in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, the Brazilian economy is heavily dependent upon international trade and, accordingly, has been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which it trades. The country also has been and may continue to be adversely affected by economic conditions in the countries with which it trades and is subject to high levels of debt or may be subject to higher inflation.

There is the possibility of nationalization, expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets, political changes, government regulation, social instability or diplomatic developments, any of which could affect adversely the Brazilian economy or the value of investments, or both.

Brazilian markets are more likely than developed markets to experience periods of extreme volatility. Such volatility could result in substantial losses.

Brazilian companies are generally subject to less stringent and less uniform accounting, auditing and financial reporting standards, practices and disclosure requirements than those applicable to companies in developed countries. Consequently, there is generally less publicly available information about Brazilian companies than about companies in developed countries. Furthermore, the quality and reliability of official data published by the government or securities exchanges in Brazil may not accurately reflect the statistics being reported.

Prior governmental approval for foreign investments may be required under certain circumstances and registration of investments with the Central Bank of Brazil is mandatory.

Repatriation of investment income, assets and the proceeds of sales by foreign investors is subject to governmental control. Investments could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes on interest paid on securities or gains from the disposition of such securities.

Many of the laws that govern private and foreign investment, securities transactions and other contractual relationships are new and largely untested. As a result, investments may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on investments. In addition, the income and gains may be subject to withholding taxes for which client may not receive a foreign tax credit.

#### **Currency risks**

Although Squadra Investments may, in its discretion, hedge the investments against the U.S. Dollar, Squadra Investments does not plan to do so on a regular basis.

#### **Performance fee calculation**

The performance fee is charged on over performance in Brazilian Real terms. Investors should note that due to exchange rate fluctuations between the Real and the U.S. Dollar it is possible that a performance fee will be payable even though it has no gains in U.S. Dollar terms.

## **9. Disciplinary Information**

Squadra Investments does not believe that there have been any legal or disciplinary events that are material to our advisory business or the integrity of our management. The Firm has no disciplinary event to disclose with respect to its activities, except for an order against one of its principals of an administrative warning by the CVM. For further details, please see the related Regulatory Action Disclosure Reporting Page to Form ADV Part 1A.

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

### **Broker-dealer registration**

Neither Squadra Investments, nor Squadra Investments' management persons are registered with the SEC as a broker-dealer or registered representatives of a broker-dealer.

### **Commodity pool registration**

Squadra Investments is not registered with the Commodity Futures Trading Commission as a futures commission merchant, a commodity pool operator or a commodity trading advisor. Squadra Investments has made exemption filings on behalf of certain funds with the CFTC.

### **Affiliated investment adviser**

Squadra Investimentos – Gestão de Recursos Ltda. (“Squadra Investimentos”) is an affiliated Brazilian investment management firm registered with the CVM. Squadra Investimentos manages private funds for Brazilian investors. The company was founded in December 2007 and the private funds were launched in March 2008. The principal owners are Guilherme Mexias Aché and Luiz Mauricio de Miranda e Silva.

Squadra Participações – Gestão de Recursos Ltda. (“Squadra Participações”) is an affiliated Brazilian investment management firm registered with the CVM. Squadra Participações manages a Brazilian private equity fund (FIP). The company was founded in January 2013. The principal owners are Guilherme Mexias Aché and Luiz Mauricio de Miranda e Silva.

Squadra Investments, Squadra Investimentos and Squadra Participações shares personal and facilities. Squadra Investments and Squadra Investimentos follow substantially the same investment strategy.

### **Conflict of interest in relationship**

Squadra Investments Ltd. is the general partner (the “General Partner”) of one fund advised by Squadra Investments and owner of management shares of other funds. Certain principals of Squadra Investments, which earns performance-based fees, are principals of the General Partner. For a potential conflict of interest arising out of this relationship, see disclosure under the heading “Performance-Based Fees.”

Certain potential conflicts arise from the General Partner and owner of management shares having under certain circumstances the rights to amend the fund documents of the advised fund. However, the consent of each affected investor in the advised fund is required for certain material amendments of the fund documents. Investors and prospective investors in the fund should refer to the offering documents for further details.

The fund has been established and promoted by the General Partner and Squadra Investments and, accordingly, the selection of Squadra Investments and the terms of its appointment and fees are not the result of arms-length negotiations. However, the General Partner believes that the fees, commissions and compensation payable to Squadra Investments are consistent with normal market rates for investment funds of a similar type to the fund. Also, see for more information disclosure under the heading “Fees and Compensation”. The General Partner will seek to ensure that any conflict of interest is resolved fairly and in the interests of the advised fund and its investors.

### **Recommendation of other investment advisers**

Squadra Investments does not recommend or select other investment advisers for its clients. Squadra Investments does not receive compensation directly or indirectly from investment advisers.

### **Serving as board members or officers of portfolio companies**

Certain employees of Squadra Investments, and persons acting as board members to companies invested in by affiliates of Squadra Investments, serve on the boards of companies held in the securities portfolios of clients, and receive compensation as a result of such board activities. Additionally, employees may serve as officers of portfolio companies and receive related compensation. Such compensation arrangements represent a conflict of interest such that Squadra Investments and/or its employees could be incentivized to continue to hold such portfolio companies on behalf of clients in order to continue to receive such compensation. All such compensation arrangements must be reported to and approved by the compliance committee.

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

Squadra Investments' compliance manual, applicable to every partner and employee, sets forth the main values, directions, principles and regulations applicable to Squadra Investments and its employees while developing their respective activities.

Employees are required to comply with the Code of Ethics (the "Code") adopted by Squadra Investments and to internally report violations of the Code.

Clients and prospective clients may obtain a copy of the Code of Ethics by email at [squadra@squadrainvest.com](mailto:squadra@squadrainvest.com).

### **Ethics**

Squadra Investments' employees must comply with Squadra Investments' policies and procedures with respect to conflicts between their personal interests and the interests of Squadra Investments, while dealing with suppliers, clients, contractors and whatever individual or legal entity developing businesses with Squadra Investments.

### **Confidentiality**

Squadra Investments' employees are subject to its policies and procedures regarding confidential or proprietary information.

### **Insider information**

Squadra Investments has adopted insider-trading policies and procedures to prevent the misuse of material, non-public information.

### **Personal trading**

Every employee has to report any security he has when joining Squadra Investments and subsequently on an annual basis. Before every sale, each employee has to get a pre-approval for the sale from Squadra Investments' compliance committee. The compliance committee evaluates any potential conflict at that time and authorizes a sale for that day only if there is no conflict with any of Squadra Investments' transactions. Our policies and procedures do not permit that any employee sells securities to advisory clients.

Squadra Investments' partners and employees cannot directly buy equity related securities. They can invest in the same strategies as the clients. The majority of their investments is in a Brazilian fund with a long-biased strategy.

### **Investments in other strategies or vehicles**

Squadra Investments' partners and employees, for tax and other reasons, mainly invest in funds managed by an affiliated investment adviser which have the same strategies as our clients. A conflict of interest may arise in the allocation of orders among these funds with similar strategies.

### **Investments in same securities**

Despite policies and procedures that do not permit our employees to directly buy equity related securities, new employees may own the same securities that Squadra Investments may have in its portfolios. In such cases, Squadra Investments will take measures to address conflicts of interest that may arise from such holdings.

### **How to mitigate conflict of interest**

We typically allocate orders using daily average price, among funds based on their net asset value, current position size, and target position size, in order to mitigate potential conflict risks. We try not to favor over time any strategy/vehicle advised by us or our affiliated investment adviser.

Please see general partner conflicts under the heading "Other Financial Industry Activities and Affiliations" above.

## **12. Brokerage Practices**

Squadra Investments does not recommend broker-dealers for client transactions. Squadra Investments selects brokers based in several aspects, including best execution, price, trading expertise, access to a particular markets, access to limited investment opportunities, reliability, reputation, availability of securities to borrow or short sales, corporate access, and the quality of research and research services provided.

Squadra Investments may have an incentive to select a broker-dealer based on our interest in receiving the research and services, rather than on our clients' interest in receiving most favorable execution. Any research received may be used for the benefit of all clients and not exclusively the client that paid for the benefits. When Squadra Investments uses client brokerage commissions to obtain research or other services, Squadra Investments receives a benefit because it does not have to produce or pay for the research or services.

The types of research and services received during the last fiscal year include reports or other information about particular companies or industries, economic analyses, recommendations of specific securities and financial publications, meetings, conferences and events organized.

Squadra Investments receives research or other products or services other than execution from a broker-dealer and/or a third party in connection with client securities transactions. Squadra Investments will limit its use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). During the past year, Squadra primarily obtained research reports (including market research) from these types of arrangements.

Squadra Investments may participate in capital introduction events or receive client referrals. However, Squadra Investments does not compensate brokers for organizing such programs or making such introductions or for any investments ultimately made by such prospective investors.

Commissions paid to each broker are monitored on a monthly basis and services are evaluated periodically.

### **Aggregating of orders**

Squadra Investments may aggregate and allocate orders among clients according to our trading policy. We typically allocate orders using daily average price, among funds based on their net asset value, current position size, target position size, automatically, in order to mitigate potential conflict risks. We try not to favor any strategy/vehicle.

Squadra Investments does not aggregate orders if portfolio management decisions for different accounts are made separately or Squadra Investments determines that aggregating is not feasible.

Cross trades may be placed for client accounts consistent with Squadra Investment's duty to seek to obtain best execution. Any cross trades performed shall be executed through brokers and stock exchanges and will be done in a manner intended to be beneficial to each of the affected clients.

### **Trade errors**

Trading and system errors will be borne by the client unless they are caused by fraud, willful neglect or gross negligence. This policy applies to all clients, including separately managed account clients. Squadra Investments tries to avoid trade errors and resolves trading errors as soon after discovery as reasonably as practicable in a manner it determines is in the best interest of its clients.

### **13. Review of Accounts**

Client portfolios are reviewed on a continuous basis by the investment committee. These reviews are designed to monitor and analyze the positions, exposure, concentration, specific risks and mandates of each account. Particular attention is given to changes in company fundamentals, industry outlook, market outlook, and price levels. Generally, these reviews are performed by the investment committee on a biweekly basis. Extraordinary meetings may occur depending on changes in market conditions and companies' fundamentals.

The back office team reconciles positions on a daily basis and checks mandate guidelines and legal restrictions.

The funds' shareholders receive monthly unaudited reports including portfolio exposure, concentration, liquidity profile and historical returns. Audited financial statements will be sent annually.

Managed accounts receive monthly reports with performance and position reconciliation. Squadra Investments reconciles information with the custodian before each client receives a final report.

#### **14. Client Referrals and Other Compensation**

No person who is not a client of Squadra Investments provides an economic benefit to Squadra Investments for providing investment advice or other advisory services to Squadra Investments' clients.

Squadra Investments does not compensate any person for client referrals.



## **15. Custody**

For purposes of the custody rule under the Advisors Act (“Custody Rule”), we are deemed to have “custody” of certain client assets when we have the ability to deduct fees from client accounts or we serve as general partner of advised private funds.

Squadra Investments will provide to investors in the U.S. feeder fund of its private funds annual audited financial statements prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board and comply with all other requirements of the Custody Rule.

## **16. Investment Discretion**

Squadra Investments has discretionary authority to manage the portfolios of the clients pursuant to investment management agreements, subject to investment guidelines and restrictions defined in each client's offering documents, agreements or side letters.

## **17. Voting Client Securities**

Squadra Investments has authority to vote proxies for securities held by funds under management. Squadra Investments shall take into account the best interests of its clients, as well as any potential conflicts of interest. Where Squadra Investments identifies a potential conflict of interest associated with a proxy or other corporate action, the conflict will be disclosed to the client or fund directors. Squadra may refrain/abstain if solicited by the client. Analysts will decide how to vote on a case-by-case basis. Squadra Investments will not vote if the agenda is not relevant or if cost of voting exceeds the expected benefit to the client. Clients may obtain a copy of procedures and information about votes at [squadra@squadrainvest.com](mailto:squadra@squadrainvest.com).

As set forth within the investment management agreement, a managed account client may permit Squadra Investments authority to accept or reject corporate actions, and represent the client within any applicable proxy meeting. Some managed accounts' clients do not authorize Squadra Investments to vote in their name. They will receive their proxies directly from their custodian.

Despite the fact that we may have authorization to vote, Squadra Investments may not be able to vote if managed accounts' service providers chosen by the client have operational issues or if the client does not provide the proper documents, such as a power of attorney to vote on their behalf.

**18. Financial Information**

Squadra Investments does not require prepayment of any fees, has no financial commitment that impairs its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition.

Brochure Supplement

GUILHERME MEXIAS ACHE  
Squadra Investments – Gestão de Recursos Ltda.  
Av Borges de Medeiros 633/704 – Leblon  
Rio de Janeiro – RJ – 22430-041 – Brazil  
+5521 3622-8070

March 22<sup>nd</sup>, 2019

**This brochure supplement provides information about Guilherme Mexias Ache that supplements the Squadra Investments – Gestão de Recursos Ltda. brochure. You should have received a copy of that brochure. Please contact [squadra@squadrainvest.com](mailto:squadra@squadrainvest.com) to obtain another copy of Squadra Investments – Gestão de Recursos Ltda.'s brochure or if you have any questions about the contents of this supplement.**

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## **Item 2 - Educational Background and Business Experience**

Guilherme Mexias Ache, born in 1969, founded Squadra Investments – Gestão de Recursos Ltda. (the “Firm”) in 2007. From 1998 to 2007, he was the portfolio manager responsible for equity investments in Brazil and other developing countries at JGP Gestão de Recursos. From 1993 to 1998, Guilherme was the head of equity research at Banco Pactual, where he entered in 1991 as an equity analyst. In 1990 he worked as an equity analyst at Bank of Montreal. Guilherme graduated in economics in 1991 from Faculdade Candido Mendes.

**Item 3 – Disciplinary Information**

- a) A criminal or civil action in a domestic, foreign or military court of competent jurisdiction

None.

- b) An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority

The supervised person has a disciplinary history, the details of which can be found on IAPD. For further details, please see the related Regulatory Action Disclosure Reporting Page to Form ADV Part 1.A. The IAPD link is [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

- c) A self-regulatory organization (SRO)

None.

- d) Any other proceeding in which a professional attainment, designation, or license of the supervised person was revoked or suspended because of a violation of rules relating to professional conduct. If the supervised person resigned (or otherwise relinquished his attainment, designation, or license) in anticipation of such a proceeding (and the adviser knows, or should have known, of such resignation or relinquishment), disclose the event.

None.



#### **Item 4 – Other business activities**

##### **Broker-dealer and Commodity pool registration**

Guilherme Mexias Ache is not actively engaged in any investment-related business or occupation as a broker-dealer, registered representative of a broker-dealer, futures commission merchant (“FCM”), commodity pool operator (“CPO”), commodity trading advisor (“CTA”), or an associated person of an FCM, CPO, or CTA.

The Firm has made exemption filings on behalf of certain Funds with the CFTC.

Guilherme Mexias Ache does not receive commissions, bonuses or other compensation based on the sale of securities or other investment products.

##### **Conflict of interest in material relationships**

Squadra Investimentos – Gestão de Recursos Ltda. (“Squadra Investimentos”) is an affiliated Brazilian investment management firm registered with the *Comissão de Valores Mobiliários* - CVM (Securities and Exchange Commission of Brazil). Squadra Investimentos manages funds for Brazilian investors. The company was founded in December 2007 and the first funds were launched in March 2008. Guilherme Mexias Ache and Luiz Mauricio de Miranda e Silva are the main partners of both Squadra Investimentos and the Firm.

Squadra Participações – Gestão de Recursos Ltda. (“Squadra Participações”) is an affiliated Brazilian investment management firm registered with the *Comissão de Valores Mobiliários* - CVM (Securities and Exchange Commission of Brazil). Squadra Participações manages a Brazilian private equity fund (FIP). The company was founded in January 2013. The principal owners are Guilherme Mexias Aché and Luiz Mauricio de Miranda e Silva.

**Item 5 – Additional Compensation**

Guilherme Mexias Ache does not receive any economic benefit from someone who is not a client including based on number or amount of sales, client referrals, or new accounts.

## **Item 6 – Supervision**

Guilherme Mexias Ache is the founder and CEO of the Firm. While he is not supervised by any other person of the Firm, he is subject to the Firm's compliance program, which is overseen by Marcos Porto Gadelha Junior, Chief Compliance Officer, at (55)(21) 3622-8070.

Brochure Supplement

LUIZ MAURICIO DE MIRANDA E SILVA  
Squadra Investments – Gestão de Recursos Ltda.  
Av Borges de Medeiros 633/704 – Leblon  
Rio de Janeiro – RJ – 22430-041 – Brazil  
+5521 3622-8070

March 22<sup>nd</sup>, 2019

**This brochure supplement provides information about Luiz Mauricio de Miranda e Silva that supplements the Squadra Investments – Gestão de Recursos Ltda. brochure. You should have received a copy of that brochure. Please contact [squadra@squadrainvest.com](mailto:squadra@squadrainvest.com) to obtain another copy of Squadra Investments – Gestão de Recursos Ltda.'s brochure or if you have any questions about the contents of this supplement.**

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**Item 2 - Educational Background and Business Experience**

Luiz Mauricio de Miranda e Silva, born in 1970, founded Squadra Investments – Gestão de Recursos Ltda. (the “Firm”) in 2007. From 2002 to 2007, he was the portfolio manager responsible for equities at Ventura Gestão de Recursos. From 1998 to 2002, Mauricio was a portfolio manager at Bank Boston Asset Management, where he developed and managed the Boston Small Cap Fund among other long only equity funds dedicated exclusively to investments in Brazilian equities. He received his MBA from the Wharton School of Business in 1998 and graduated in economics from Pontifícia Universidade Católica do Rio de Janeiro in 1992.

**Item 3 – Disciplinary Information**

- a) A criminal or civil action in a domestic, foreign or military court of competent jurisdiction

None.

- b) An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority

None.

- c) A self-regulatory organization (SRO)

None.

- d) Any other proceeding in which a professional attainment, designation, or license of the supervised person was revoked or suspended because of a violation of rules relating to professional conduct. If the supervised person resigned (or otherwise relinquished his attainment, designation, or license) in anticipation of such a proceeding (and the adviser knows, or should have known, of such resignation or relinquishment), disclose the event.

None.

#### **Item 4 – Other business activities**

##### **Broker-dealer and Commodity pool registration**

Luiz Mauricio de Miranda e Silva is not actively engaged in any investment-related business or occupation as a broker-dealer, registered representative of a broker-dealer, futures commission merchant (“FCM”), commodity pool operator (“CPO”), commodity trading advisor (“CTA”), or an associated person of an FCM, CPO, or CTA.

The Firm has made exemption filings on behalf of certain Funds with the CFTC.

Luiz Mauricio de Miranda e Silva does not receive commissions, bonuses or other compensation based on the sale of securities or other investment products.

##### **Conflict of interest in material relationships**

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**Item 5 – Additional Compensation**

Luiz Mauricio de Miranda e Silva does not receive any economic benefit from someone who is not a client including based on number or amount of sales, client referrals, or new accounts.

**Item 6 – Supervision**

Luiz Mauricio de Miranda e Silva is founder and co-CIO of the Firm. He is supervised by the CEO/co-Cio, Guilherme Mexias Ache, who monitors and co-manages the portfolios.

Please see telephone number at cover page.

Brochure Supplement

LUIS AUGUSTO OLIVEIRA GAMBÔA  
Squadra Investments – Gestão de Recursos Ltda.  
Av Borges de Medeiros 633/704 – Leblon  
Rio de Janeiro – RJ – 22430-041 – Brazil  
+5521 3622-8070

March 22<sup>nd</sup>, 2019

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## **Item 2 - Educational Background and Business Experience**

Luis Augusto Oliveira Gambôa, born in 1977, is one of the founders of Squadra Investments – Gestão de Recursos Ltda. (the “Firm”). From 2000 to 2008 he worked for JGP Gestão de Recursos where he was an equity analyst and trader responsible for managing a long/short portfolio focused on G7 equities and in the last six months he was responsible for structuring and coordinating JGP’s wealth management division. In 2000 he worked as a P&L management analyst in Banco Pactual. He graduated from Instituto Tecnológico de Aeronáutica (ITA) in December 1999 with a B.S. in Mechanical/Aeronautical Engineering.

**Item 3 – Disciplinary Information**

- a) A criminal or civil action in a domestic, foreign or military court of competent jurisdiction

None.

- b) An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority

None.

- c) A self-regulatory organization (SRO)

None.

- d) Any other proceeding in which a professional attainment, designation, or license of the supervised person was revoked or suspended because of a violation of rules relating to professional conduct. If the supervised person resigned (or otherwise relinquished his attainment, designation, or license) in anticipation of such a proceeding (and the adviser knows, or should have known, of such resignation or relinquishment), disclose the event.

None.

#### **Item 4 – Other business activities**

##### **Broker-dealer and Commodity pool registration**

Luis Augusto Oliveira Gambôa is not actively engaged in any investment-related business or occupation as a broker-dealer, registered representative of a broker-dealer, futures commission merchant (“FCM”), commodity pool operator (“CPO”), commodity trading advisor (“CTA”), or an associated person of an FCM, CPO, or CTA.

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##### **Conflict of interest in material relationships**

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**Item 5 – Additional Compensation**

Luis Augusto Oliveira Gambôa does not receive any economic benefit from someone who is not a client including based on number or amount of sales, client referrals, or new accounts.



**Item 6 – Supervision**

Luis Augusto Oliveira Gambôa is a trader/analyst of the Firm. He is supervised by the CEO/co-Cio, Guilherme Mexias Ache, and the co-CIO, Luiz Mauricio de Miranda e Silva, who monitor and co-manage the portfolios.

Please see telephone number at cover page.