

## Item 1 – Cover Page

**Lighthouse Swiss Wealth Advisors AG**  
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Date of Disclosure Brochure: March 2022

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This disclosure brochure provides information about the qualifications and business practices of Lighthouse Swiss Wealth Advisors AG (also referred to as we, us and Lighthouse Swiss Wealth Advisors AG throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Marc Brühwiler at +41 41 511 39 05 or [marc@lighthousestrust.ch](mailto:marc@lighthousestrust.ch). The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Lighthouse Swiss Wealth Advisors AG is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for Lighthouse Swiss Wealth Advisors AG or our firm's CRD number 164658.

\*Registration as an investment adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

The firm had the following material changes made to this disclosure brochure since the last annual update filing dated February 1, 2021.

Item 4 and Item 15 - Marc Brühwiler owns 100.00% of Lighthouse Swiss Wealth Advisors AG as of March 15, 2022. Pascal Rytz is no longer an owner of Lighthouse Swiss Wealth Advisors AG.

Item 4 and 5 - Cash-only accounts will be charge an annual fixed fee, billed quarterly, at the end of each calendar quarter. This fixed fee will no longer be billed annually.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time, we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## **Item 4 – Advisory Business**

Lighthouse Swiss Wealth Advisors AG is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a Private Limited Company formed under the laws of Switzerland.

- Marc Brühwiler is the Chief Compliance Officer (CCO), Chief Executive Officer (CEO), Chief Financial Officer (CFO) and an Owner of Lighthouse Swiss Wealth Advisors AG. Marc Brühwiler owns 100.00% of Lighthouse Swiss Wealth Advisors AG as of March 15, 2022.
- Lighthouse Swiss Wealth Advisors AG filed its initial application to become registered as an investment adviser in June 2012.

### **Introduction**

The investment advisory services of Lighthouse Swiss Wealth Advisors AG are provided to clients through appropriately licensed and qualified individuals who serve as investment adviser representatives of Lighthouse Swiss Wealth Advisors AG. (The individual investment adviser representatives will be referred to as “your investment adviser representative” throughout this brochure).

### **Description of Advisory Services**

The following are descriptions of the primary advisory services of Lighthouse Swiss Wealth Advisors AG. Please understand that a written agreement, which details the exact terms of the services, must be signed by you and Lighthouse Swiss Wealth Advisors AG before we can provide you the services described below.

**Asset Management Services** – Lighthouse Swiss Wealth Advisors AG offers asset management services, which involves Lighthouse Swiss Wealth Advisors AG providing you with continuous and ongoing supervision over your specified accounts.

You must appoint our firm as your investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

The Account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable

restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

Cash-Only Accounts – For client's holding cash-only in their advisory account, Lighthouse Swiss Wealth Advisors AG will charge an annual fixed fee for being Investment Advisor of Record. See Item 5 – *Fees and Compensation* - for additional information.

#### **Limits Advice to Certain Types of Investments**

Lighthouse Swiss Wealth Advisors AG provides investment advice on the following types of investments:

- Exchange Traded Funds (ETFs)
- Exchange-listed Securities
- Securities Traded Over-the-Counter
- Foreign Issues
- Warrants
- Corporate Debt Securities
- Commercial Paper
- Certificates of Deposit
- Municipal Securities
- US Government Securities
- Options Contracts on Securities
- Options Contracts on Commodities
- Futures Contracts on Tangibles
- Futures Contracts on Intangibles
- Securities Properly Exempted from Registration

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations. *(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

### **Tailor Advisory Services to Individual Needs of Clients**

Lighthouse Swiss Wealth Advisors AG's advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Client Assets Managed by Lighthouse Swiss Wealth Advisors AG**

As of December 31, 2021, Lighthouse Swiss Wealth Advisors AG had total assets under management in the amount of \$25,458,213. All of these assets are managed on a discretionary basis. None of these assets are managed on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's advisory services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and Lighthouse Swiss Wealth Advisors AG.

### **Asset Management Services**

Fees charged for our asset management services are charged based on a percentage of assets under management, billed in arrears (at the end of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the previous billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of the billing period, then the prorated fee for that billing period will be billed in arrears at the end of that billing period.

The asset management services continue in effect until terminated by either party (i.e., Lighthouse Swiss Wealth Advisors AG or you) by providing written notice of termination to the other party. When fees are billed in arrears, Lighthouse Swiss Wealth Advisors AG will prorate the final fee payment based on the number of days services are provided during the final period. The amount of client assets on the termination date will be used to determine the final fee payment. If termination of the client's account prevented the fee deduction for the services provided through the termination date, Lighthouse Swiss Wealth Advisors AG may invoice client for the last partial quarter's services.

Fees charged for our asset management services are negotiable based on the complexity of the client's situation, and the total amount of assets under management for the client.

The annual fee for asset management services will be between 0.65% and 1.25%, based on the size of the account and generally will be charged according to the fee schedule below:

<i>Minimum Account Balance</i>	<i>Annual Fee (as a % of Account Balance)</i>
US \$250,000 - \$2,500,000	1.25%
US \$2,500,001 - \$5,000,000	1.00%
US \$5,000,001 - \$10,000,000	0.90%
US \$10,000,001 - \$15,000,000	0.75%
US \$15,000,001+	0.65%

There is a minimum account size of \$250,000.

Lighthouse Swiss Wealth Advisors AG believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you will also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses) if any of your account assets are allocated to mutual funds. As noted above, Lighthouse Swiss Wealth Advisors AG does not typically provide advice on mutual funds unless you request advice on or direct allocation of your Account to mutual funds.

The investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. You will authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to our firm.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

Brokerage commissions and/or transaction ticket fees charged by the qualified custodian are billed directly to you by the qualified custodian. Lighthouse Swiss Wealth Advisors AG does not receive any portion of such commissions or fees from you or the qualified custodian. In addition, you will incur certain charges imposed by third parties other than Lighthouse Swiss Wealth Advisors AG in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement plan fees, and custody fees and other charges imposed by the qualified custodian(s) of your account. Management fees charged by Lighthouse Swiss Wealth Advisors AG are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of some of these fees and expenses are available in each investment company security's prospectus.

#### Fixed Fee

For accounts that hold cash-only, Lighthouse Swiss Wealth Advisors AG will charge an annual fixed fee of US\$500. This fee will be charged each year at the end of September, for the calendar year. Fees are prorated based on the number of days client's account is held at Lighthouse Swiss Wealth Advisors AG during the initial billing period. The prorated fee for that initial billing period will be billed in arrears at the end of that billing period.

This fixed fee will be in effect until terminated by either party (i.e., Lighthouse Swiss Wealth Advisors AG or you) by providing written notice of termination to the other party. When fees are billed in arrears, Lighthouse Swiss Wealth Advisors AG will prorate the final fee payment based on the number of days your cash-only account is held during the final period. If termination of your account prevented us from

collecting the fee via fee deduction, Lighthouse Swiss Wealth Advisors AG may invoice client for the last partial quarter's services.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. Lighthouse Swiss Wealth Advisors AG does not charge or accept performance-based fees.

### **Item 7 – Types of Clients**

Lighthouse Swiss Wealth Advisors AG generally provides investment advice to the following types of clients:

- Corporations or business entities
- High Networth Individuals
- Individuals

You are required to execute a written agreement with Lighthouse Swiss Wealth Advisors AG specifying the particular advisory services in order to establish a client arrangement with Lighthouse Swiss Wealth Advisors AG.

### **Minimum Investment Amounts Required**

Lighthouse Swiss Wealth Advisors AG requires a minimum of \$250,000 in order to open an account. To reach this account minimum, clients can aggregate all household accounts. At its discretion, Lighthouse Swiss Wealth Advisors AG may grant exceptions to the minimum account balance requirement.

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

#### **Methods of Analysis**

Lighthouse Swiss Wealth Advisors AG uses the following methods of analysis in formulating investment advice:

Charting -This is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including



macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

Technical – This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

There are risks involved in using any analysis method.

To conduct analysis, Lighthouse Swiss Wealth Advisors AG gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

### **Investment Strategies**

Lighthouse Swiss Wealth Advisors AG uses the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

Short sales. A short sale is generally the sale of a stock not owned by the investor. Investors who sell short believe the price of the stock will fall. If the price drops, the investor can buy the stock at the lower price and make a profit. If the price of the stock rises and the investor buys it back later at the higher price, the investor will incur a loss. Short sales require a margin account.

Margin transactions. When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest of the purchase price from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from Lighthouse Swiss Wealth Advisors AG.

Option writing including cover options, uncovered options or spreading strategies. Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

### **Primarily Recommend One Type of Security**

We do not primarily recommend one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to that client's specific circumstances and needs.

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Margin Risk - When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you intended to borrow funds in connection with your Account, you will be required to open a margin account, which will be carried by the clearing firm. The securities purchased in such an account are the clearing firm's collateral for its loan to you.

If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin account that may be established as part of the Asset Management Agreement established between you and Lighthouse Swiss Wealth Advisors AG and held by the account custodian or clearing firm.

These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The account custodian or clearing firm can force the sale of securities or other assets in your account.
- The account custodian or clearing firm can sell your securities or other assets without contacting you.

- You are not entitled to choose which securities or other assets in your margin account will be liquidated or sold to meet a margin call.
- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities.
- The account custodian or clearing firm can increase its “house” maintenance margin requirements at any time and they are not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.

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

There are no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of our advisory business or the integrity of our management.

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

Lighthouse Swiss Wealth Advisors AG is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives can sell other products or provide services outside of their role as investment adviser representatives with us.

Lighthouse Swiss Wealth Advisors AG and Lighthouse Swiss Trust & Wealth Management GmbH share a common owner(s). Lighthouse Swiss Trust & Wealth Management GmbH provides fiduciary and trust services and is a member of PolyReg which is a self-regulatory body established according to Article 24 of the Swiss Money Laundering Act (MLA). Many of the associated persons of Lighthouse Swiss Wealth Advisors AG are also employees of Lighthouse Swiss Trust & Wealth Management GmbH, and therefore, Lighthouse Swiss Wealth Advisors AG and its associated persons have an economic incentive to recommend the services of Lighthouse Swiss Trust & Wealth Management GmbH which is a conflict of interest. Lighthouse Swiss Wealth Advisors AG and its associated persons may recommend clients utilize Lighthouse Swiss Trust & Wealth Management GmbH for record-keeping services, administration services, and/or trustee services, but Lighthouse Swiss Wealth Advisors AG and its associated persons will only recommend Lighthouse Swiss Trust & Wealth Management GmbH when in the best interest of a client.

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

#### **Code of Ethics Summary**

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Lighthouse Swiss Wealth Advisors AG has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as “supervised persons”. All employees, officers, directors and investment adviser representatives are classified as supervised persons. Lighthouse Swiss Wealth Advisors AG requires its supervised persons to consistently act in your best interest in all advisory activities. Lighthouse Swiss Wealth Advisors AG imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm’s fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Lighthouse Swiss Wealth Advisors AG. If you wish to review our firm’s Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

#### **Affiliate and Employee Personal Securities Transactions Disclosure**

Lighthouse Swiss Wealth Advisors AG or associated persons of the firm can buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a conflict of interest. It is the express policy of Lighthouse Swiss Wealth Advisors AG that all persons associated in any manner with our firm must place clients’ interests ahead of their own when implementing personal investments. Lighthouse Swiss Wealth Advisors AG and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”.
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted in writing by the Chief Compliance Officer of Lighthouse Swiss Wealth Advisors AG.

Any associated person not observing our written policies, including those on personal securities trading is subject to sanctions up to and including termination.

## **Item 12 – Brokerage Practices**

Clients are under no obligation to act on the financial planning recommendations of Lighthouse Swiss Wealth Advisors AG. If the firm assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back-office services, technology and pricing of services offered.

### **Directed Brokerage**

Clients are allowed to select the broker-dealer that will be used for their accounts. Clients directing the use of a particular broker/dealer or other custodian must understand that we may not be able to obtain the best prices and execution for the transaction. Under a client-directed brokerage arrangement, clients may receive less favorable prices than would otherwise be the case if the client had not designated a particular broker/dealer or custodian. Directed brokerage account trades are generally placed by Lighthouse Swiss Wealth Advisors AG after effecting trades for other clients of Lighthouse Swiss Wealth Advisors AG. In the event that a client directs Lighthouse Swiss Wealth Advisors AG to use a particular broker or dealer, Lighthouse Swiss Wealth Advisors AG may not be authorized to negotiate commissions and may be unable to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct Lighthouse Swiss Wealth Advisors AG to use a particular broker or dealer versus clients who do not direct the use of a particular broker or dealer.

### **Soft Dollar Benefits**

An investment adviser receives soft dollar benefits from a broker-dealer when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer.

Lighthouse Swiss Wealth Advisors AG does not have a soft dollar agreement with a broker-dealer or a third-party.

### **Brokerage Recommendations –Vontobel & Kaiser**

We may recommend that our clients use Kaiser Partner Privatbank AG (“Kaiser”) and Bank Vontobel AG (“Vontobel”), as their qualified custodians. Lighthouse Swiss Wealth Advisors AG is independently owned

and operated and is not affiliated with Kaiser or Vontobel. If you select Kaiser or Vontobel as the qualified custodian for your account, then Kaiser or Vontobel will hold your assets in a brokerage account and buy and sell securities upon our instructions. Even though your account is maintained at Kaiser or Vontobel, we can still use other brokers to execute trades for your account.

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, the following:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- Capability to execute, clear and settle trades (buy and sell securities for your account)
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- Reputation, financial strength, and stability of the provider
- Their prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (See “Products and Services Available to us from Kaiser or Vontobel”).

For our clients' accounts they maintain, Kaiser or Vontobel generally do charge you separately for custody services and is also compensated by charging you commissions or other fees on trades that it executes or that settle into your Kaiser or Vontobel account. For some accounts, Kaiser or Vontobel may charge you a percentage of the dollar amount of assets in the account in lieu of commissions. In addition to commissions or asset-based fees, Kaiser or Vontobel charge you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Kaiser or Vontobel account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Kaiser or Vontobel execute most trades for your account.

### **Handling Trade Errors**

Lighthouse Swiss Wealth Advisors AG has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of Lighthouse Swiss Wealth Advisors AG to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is made whole and any loss resulting from the trade error is absorbed by Lighthouse Swiss Wealth Advisors AG if the error is caused by Lighthouse Swiss Wealth Advisors AG. If the error is caused by the broker-dealer, the broker-dealer is responsible for handling the trade error. If an investment gain results from the correcting trade, the gain remains in the client's account unless the same error involved other client account(s) that should also receive the gains.

It is not permissible for all clients to retain the gain. Lighthouse Swiss Wealth Advisors AG may also confer with a client to determine if the client should forego the gain (e.g., due to tax reasons).

Lighthouse Swiss Wealth Advisors AG will never benefit or profit from trade errors.

### **Block Trading Policy**

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when Lighthouse Swiss Wealth Advisors AG believes such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

Lighthouse Swiss Wealth Advisors AG uses the average price allocation method for transaction allocation.

Under this procedure Lighthouse Swiss Wealth Advisors AG will calculate the average price and transaction charges for each transaction included in a block order and assign the average price and transaction charge to each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which Lighthouse Swiss Wealth Advisors AG or our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation as a result of block trades.

### **Agency Cross Transactions**

Our associated persons are prohibited from engaging in agency cross transactions, meaning we cannot act as brokers for both the sale and purchase of a single security between two different clients and cannot receive compensation in the form of an agency cross commission or principal mark-up for the trades.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

Managed accounts are reviewed at least quarterly. While the calendar is the main triggering factor, reviews can also be conducted at your request. Reviews are conducted by Marc Brühwiler, with reviews performed in accordance with your investment goals and objectives.

### **Statements and Reports**

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements directly from the qualified custodian. Additionally, Lighthouse Swiss Wealth Advisors AG may provide position or performance reports to you quarterly and upon request.

You are encouraged to always compare any reports or statements provided by us, a sub-adviser or third-party money manager against the account statements delivered from the qualified custodian. When you



have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

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

Lighthouse Swiss Wealth Advisors AG does not directly or indirectly compensate any person for client referrals.

Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices, for additional discussion concerning other compensation.

#### **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody. Lighthouse Swiss Wealth Advisors AG is deemed to have custody of client funds and securities whenever Lighthouse Swiss Wealth Advisors AG is given the authority to have fees deducted directly from client accounts. Lighthouse Swiss Trust & Wealth Management GmbH serves as trustee for the trust account(s) of certain advisory clients of Lighthouse Swiss Wealth Advisors AG. Marc Bruhwiler is one of the designated signatories that provides the trustee services through Lighthouse Swiss Trust & Wealth Management GmbH. The role of Lighthouse Swiss Trust & Wealth Management GmbH as trustee is imputed (or “assigned”) to Lighthouse Swiss Wealth Advisors AG and therefore Lighthouse Swiss Wealth Advisors AG is deemed to have custody of those client funds and securities for which Lighthouse Swiss Trust & Wealth Management GmbH is the trustee.

For accounts in which Lighthouse Swiss Wealth Advisors AG is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client’s name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian’s name, address and the manner in which the funds or securities are maintained. At least quarterly account statements are delivered directly from the qualified custodian to each client, or the client’s independent representative. If the account statements are directed to client’s independent representative, the independent representative will be an individual or entity other than Lighthouse Swiss Trust & Wealth Management GmbH, the trustee that is a related person of Lighthouse Swiss Wealth Advisors AG. Clients should carefully review account statements and are urged to compare the account statements against reports received from Lighthouse Swiss Wealth Advisors AG. When clients have questions about their account statements, they should contact Lighthouse Swiss Wealth Advisors AG or the qualified custodian preparing the statement. Any advisory clients that have trust accounts managed by Lighthouse Swiss Wealth Advisors AG and for which Lighthouse Swiss Trust & Wealth Management GmbH serves as trustee will be reviewed pursuant to an annual surprise verification examination conducted by a third-party, independent accounting firm.

#### **Item 16 – Investment Discretion**

When providing asset management services, Lighthouse Swiss Wealth Advisors AG maintains trading authorization over your Account and can provide management services on a **discretionary** basis. When

discretionary authority is granted, we will have the authority to determine the type of securities, the amount of securities that can be bought or sold, the broker or dealer to be used and the commission rates paid for your portfolio without obtaining your consent for each transaction.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You can also place reasonable limitations on the discretionary power granted to Lighthouse Swiss Wealth Advisors AG so long as the limitations are specifically set forth or included as an attachment to the client agreement.

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

### **Proxy Voting**

Lighthouse Swiss Wealth Advisors AG does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided.

### **Class Action Lawsuits**

You retain the right under applicable securities laws to initiate individually a lawsuit or join a class-action lawsuit against the issuer of a security that was held, purchased or sold by or for you. Lighthouse Swiss Wealth Advisors AG does not initiate such a legal proceeding on behalf of clients and does not provide legal advice to clients regarding potential causes of action against such a security issuer and whether the client should join a class-action lawsuit. We recommend that you seek legal counsel prior to making a decision regarding whether to participate in such a class-action lawsuit. Upon your specific instruction, we may provide assistance to you regarding an investment history related to the security underlying the individual, or class-action, lawsuit and may provide assistance with the completion of this portion of certain class-action paperwork. At no time should such assistance be deemed as a substitute for consulting with legal counsel.

## **Item 18 – Financial Information**

Lighthouse Swiss Wealth Advisors AG does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Lighthouse Swiss Wealth Advisors AG has not been the subject of a bankruptcy petition at any time.

## **Item 19 – Customer Privacy Policy Notice**

In November of 1999, Congress enacted the *Gramm-Leach-Bliley Act* (GLBA). The GLBA requires certain financial institutions, such as investment advisor firms, to protect the privacy of customer information. In situations where a financial institution does disclose customer information to non-affiliated third parties, other than permitted or required by law, customers must be given the opportunity to opt out or prevent such disclosure. Lighthouse Swiss Wealth Advisors AG does not share or disclose your information to non-affiliated third parties except as permitted or required by law.

Lighthouse Swiss Wealth Advisors AG is committed to safeguarding your confidential information. Lighthouse Swiss Wealth Advisors AG holds all personal information provided by you in the strictest confidence and it is the objective of Lighthouse Swiss Wealth Advisors AG to protect the privacy of all clients. Except as permitted or required by law, Lighthouse Swiss Wealth Advisors AG does not share confidential information about you with non-affiliated parties. In the event that there were to be a change in this policy, Lighthouse Swiss Wealth Advisors AG will provide you with written notice and you will be provided an opportunity to direct Lighthouse Swiss Wealth Advisors AG as to whether such disclosure is permissible.

To conduct regular business, Lighthouse Swiss Wealth Advisors AG may collect personal information from sources such as:

- Information reported by you on applications or other forms you provide to Lighthouse Swiss Wealth Advisors AG
- Information about your transactions implemented by others
- Information developed as part of financial consultations and analyses

To provide related services for client accounts, it is necessary for Lighthouse Swiss Wealth Advisors AG to provide access to your information within the firm and to non-affiliated companies with whom Lighthouse Swiss Wealth Advisors AG has entered into agreements. To provide the utmost service, Lighthouse Swiss Wealth Advisors AG may disclose the information below regarding customers and former customers, as necessary, to companies to perform certain services on behalf of Lighthouse Swiss Wealth Advisors AG:

- Information Lighthouse Swiss Wealth Advisors AG receives from you on applications (name, social security number, address, assets, etc.)
- Information about your transactions with others (account information, payment history, parties to transactions, etc.)
- Information about your financial products and services transaction with RFS

Since Lighthouse Swiss Wealth Advisors AG shares non-public information solely to service you, Lighthouse Swiss Wealth Advisors AG does not disclose any non-public personal information about its customers or former customers to anyone, except as permitted by law. However, Lighthouse Swiss

Wealth Advisors AG may also provide your information outside of the firm as required by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas.

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