

# SVN Global Private Advisors LLC

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April 2024

This Brochure provides information about the qualifications and business practices of SVN Global Private Advisors LLC (“SVN Global”).

If you have any questions about the contents of this Brochure, please contact us at 55 (11) 99379-4848.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

SVN Global is a registered investment adviser. The registration of an Investment Adviser does not imply any level of skill or training.

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

## Item 2 – Material Changes

SVN Global is required to advise you of any material changes to this brochure. Should any material changes occur you will receive a summary of any material changes to this and subsequent brochures within 120 days and without charge.

You may also request a copy of the brochure by contacting us at 55 (11) 99379-4848 and/or by writing us an email at [compliance@svnglobal.us](mailto:compliance@svnglobal.us). Our brochure is also available on our website [svnglobal.us](http://svnglobal.us).

Information about SVN Global is also available through the SEC's public disclosure website ("IAPD" at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)). The SEC's website also provides information about any persons affiliated with SVN Global who are registered, or are required to be registered, as investment adviser representatives of SVN Global.

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## Item 4 – Advisory Business

### Brief Description

SVN Global is organized as a Florida limited liability company under the laws of the State of Florida and is a registered Investment Adviser with the SEC. SVN Global has been in business since April 2024. SVN Global is wholly owned by SVN Controle e Participações Limitada, a Brazil Corporation whose majority owners are Caio Copetti and Felipe Bernardes.

SVN Global is an affiliate of SVN Assessores de Investimentos S/S Ltda (“SVN Investimentos”), SVN Gestora de Recursos Ltda (“SVN Gestora”), and Bahia Partners Corretora de Seguros Ltda (“Bahia Partners Seguros”). SVN Investimentos and SVN Gestora provide investments products and services to clients in Brazil. Bahia Partners Seguros provide insurance products to clients in Brazil.

SVN Global provides both discretionary and non-discretionary investment advisory services to individuals and qualified entities.

### ADVISORY SERVICES OFFERED

SVN Global investment advisory services are provided through various types of discretionary and non-discretionary mandates in accordance with each client’s investment objective and pursuant to the terms outlined in its investment advisory agreement. SVN Global discretionary and non-discretionary investment management services include the design, structure, and implementation of investment strategies for clients. Investment advisory activities focus on investments in various kinds of assets and securities in a variety of markets that are intended to be in the client’s best interest considering the client’s objectives, strategies and risk profile as described by each client during an interview process. Clients may impose restrictions on investing in certain securities or types of securities. Each agreement typically defines the services to be provided and the fees will be agreed to in the advisory agreement.

The overall advisory services offered by SVN Global fall within the following categories listed below.

SVN Global intends its overall business model to be providing investment advisory services to high-net-worth individuals, families, estates, trusts, endowments, foundations, charitable organizations, corporations, or other qualified entities (“Clients”). The Firm works with clients to help them define appropriate investment objectives and to design and implement an investment process and individualized strategies that seek to achieve those objectives. The client be advised on a recommended asset allocation strategy.

SVN Global assists Clients in establishing investment objectives, return expectations, risk tolerance, measuring time horizons for their strategies, liquidity needs, and other Client-specific requirements, which are the basis for any advice and recommendation made. The advice provided will include the Client’s Investment Policy Statement, which includes specific portfolio management parameters and associated restrictions by instrument type, asset class, sector, and geography, as applicable.

SVN Global offers investment advisory services regarding the following instruments, and, on occasion, others not included below:

- Fixed income, including, but not limited to, investment grade and high yield corporate bonds
- Municipal securities
- Exchange traded funds
- Equity securities: exchange listed, over the counter, and foreign securities
- Private equity funds and direct private equity
- Private debt funds and direct private debt investments
- Real Estate funds and direct real estate investments
- Hedge funds and other alternative investments
- Certificates of deposit
- Managed accounts
- Mutual funds
- Options and other derivative products

Clients may impose reasonable restrictions on investing in certain securities or types of securities for their account(s). When a client requests certain restrictions, SVN Global will review these and determine, in its sole discretion, if the conditions would materially impact the performance of a management strategy or prove overly burdensome to the Firm's account management efforts before accepting such restrictions. If SVN Global determines that the restrictions prove to have a material impact on the strategy designed, SVN Global will notify the client that it cannot continue with the advisory relationship.

SVN Global intends its investment advisory services to include, but are not limited to, asset allocation analysis, instrument and security selection, account supervision, assist and effectuate transactions to implement the investment strategy and portfolio monitoring. SVN Global provides advisory services to Clients on a non-discretionary and discretionary basis. Please see below additional information regarding both discretionary and non-discretionary mandates.

SVN Global does not and will not have custody of client assets. Clients select the financial institutions that have custody of their assets.

### ***Non-Discretionary Advisory Services***

SVN Global provides non-discretionary advisory services to retail clients in accordance with a non-discretionary advisory agreement between SVN Global and the client. Each client is required to sign an investment advisory agreement (non-discretionary) where they state their investment objectives, risk profile and overall financial profile. In the agreement, SVN Global discloses all fees and costs associated with the investment advisory mandate. Also, in this agreement SVN Global discloses and the client acknowledges if there is cash compensation to a promoter for referring the relationship to SVN Global.

Each agreement defines the services to be provided and fees to be charged. SVN Global also provides recommendations regarding the investment of securities and cash in a client's account. These services are individually tailored to each client's needs and such advice may be provided to accounts with assets maintained at various third parties.

Under the non-discretionary mandates, SVN Global designs a specific investment strategy considering each client's risk profile, investment objective and financial goal outlook. In a non-discretionary relationship, SVN Global will provide investment advice to clients, and it is up to the client to execute the strategy with their individual custodian. However, when requested by the client, SVN Global may supervise, arrange and cause to affect the transactions necessary in the implementation of such strategies by forwarding instructions to the client's custodian. On these instances, SVN Global will discuss the recommendations and obtain the clients consent prior to implementing the advised strategy.

### ***Discretionary Advisory Services***

SVN Global offers discretionary mandates or accounts that focus on investments in specific and limited kinds of assets and securities, in limited markets, or they may be broad-based across many asset classes and markets. Such accounts are intended to fit within the investor's objectives, strategies and risk profile as described by each client. The strategies utilized for these customized accounts are based on SVN Global core strategies for different investment objectives and goals.

The client works with an account manager in choosing the investment strategy most in line with his/her investment goals, objective, and acceptable risk level. Under normal market conditions, SVN Global invests all or part of its clients' assets in different securities and / or funds (on shore and offshore funds, including non-registered funds and Hedge Funds) to create portfolio that is consistent with the client's investor profile, risk tolerance and overall investment objectives. Different from a non-discretionary mandate or account, in a discretionary mandate SVN Global will execute the transactions for the account and actively supervise and manage the portfolio without requiring client approval. Each client is required to sign a discretionary investment advisory agreement where the client gives discretionary authority to SVN Global to manage their assets. In the agreement, SVN Global discloses all fees and costs associated with the investment advisory mandate. SVN Global will provide its investment advice and discuss the ensuing strategy with clients prior to implementing it.

## WRAP FEE PROGRAMS

SVN Global does not participate in wrap fee programs.

### Item 5 – Fees and Compensation

The specific way fees are charged by SVN Global is established in the client's written investment management agreement with SVN Global. SVN Global will bill its fees on a quarterly basis. Clients are billed in advance each calendar quarter based on the market value of the client's assets managed or advised by SVN Global (see specific fee calculation methodology below). Clients can elect to be billed directly for fees or to authorize SVN Global to directly debit fees from client's accounts at the custodian. Accounts initiated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

SVN Global fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients can incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, foreign currency exchange fees and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds, private funds, UCITS and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to SVN Global's fee.

Clients agree to the terms of their fee calculation methodology in the investment management agreements with SVN Global.

SVN Global charges Clients an Advisory Fee for services provided. The Advisory Fee is established and defined in the Investment Advisory Agreement between SVN Global and the Client (the "Advisory Agreement"). Generally, the Advisory Fee is expressed as a percentage of Assets Under Management ("AUM"), and typically ranges from 0.75% to 1.5% of total AUM, with a minimum annual Advisory Fee.

In some instances, Advisory Fees are negotiable based upon the types of assets included in a Client's portfolio, the complexity and size of the portfolio, the services to be provided, and other factors including the nature of the Client's objectives.

Generally, Advisory Fees are calculated and billed on a quarterly basis, payable in advance. Some Clients' fee schedules and billing procedures may differ from the general process described herein, as provided in such Clients' Advisory Agreements. Clients can elect to be billed directly for fees or to authorize SVN Global to directly debit fees from client accounts at the custodian. Upon termination of any account, any unearned fees will be promptly refunded.

Advisory Fees are based on the value of the Client's portfolio as reported by the Client's custodians, third-party fund managers, and other independent pricing services. Fees are calculated based on the portfolio value on the last day of the previous billing period.

Clients agree to the terms of their fee calculation methodology in the Client Advisory Agreement with SVN Global.

Clients should note that similar advisory services can or cannot be available from other registered investment advisors for similar or lower fees. The size of an account and the nature of the advisory services provided factor into the fees charged.

### **MINIMUM FEES/FLAT FEES**

For certain small discretionary and non-discretionary accounts, SVN Global can impose a minimum fee threshold of \$500 per quarter and can negotiate a flat fee. Both minimum fees and flat fees are paid quarterly in advance.

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

SVN Global does not enter performance fee arrangements.

### **Item 7 – Types of Clients**

SVN Global provides investment advisory services to the following, but is not limited to them:

- Individuals and their personal investment entities.
- High Net Worth Individuals
- Corporations
- Trusts

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

SVN Global gathers and analyzes Client information, such as investment objectives, investment experience, financial circumstances, and risk tolerances. SVN Global's investment philosophy is built around the concept of helping Clients achieve their investment objectives and goals in a manner that emphasizes liquidity, risk measurement and management, and investment cost efficiency. This process begins with the formulation of a broad asset allocation, first determined through a top-down process to establish long-term target allocations by asset class and is followed by a bottoms-up analysis of individual, investable instruments.



## A. Methods of Analysis

Based on a Client's risk assessment, investment objectives, life events and preferences, assets are allocated across traditional asset classes, asset types, and individual investments. In selecting individual investments, SVN Global's methods of analysis include:

*Qualitative Analysis.* This analysis is of particular relevance when evaluating third-party fund managers and fund management companies, and may include analysis of regulatory records, public records, background research, third-party fund manager team profiles, hiring processes, reference checks, audit results, and other analyses.

*Statistical Analysis.* This involves the analysis of past market data, primarily price, volume, and volatility data, as well as statistical analysis based on that raw data. This statistical analysis may include, but is not limited to, correlations, beta, alpha, stress testing, peer benchmarking, and other analytical tools.

*Cyclical Analysis.* This involves the analysis of business cycles to seek favorable conditions for buying and/or selling a security, sector, geography, or asset class. Investing in securities involves a substantial degree of risk of loss that Clients should be prepared to bear. All investments carry the risk of loss and there is no guarantee that any investment strategy will meet its objective.

## B. Investment Strategies

SVN Global emphasizes the need for disciplined long-term investment strategies (involving securities typically held at least a year) in order to achieve Clients' objectives. Nevertheless, SVN Global will selectively and occasionally use short-term investments (securities held less than a year) and trading (securities held for less than 30 days) for tactical reallocations in an effort to manage or moderate risk or to attempt to capture a specific investment opportunity. SVN Global can utilize one or more of these investment strategies in an effort to achieve the risk-adjusted returns as articulated in the Client's Investment Policy Statement.

## C. Risk of Loss Fixed-Income Securities.

SVN Global sometimes recommends investments in bonds or other fixed-income securities (or funds that hold these type of securities) to certain Clients, including, without limitation, sovereign debt, investment grade corporate debt securities, and "higher yielding" (and, therefore, higher risk) debt securities (or funds that hold these types of securities). Such securities may be below "investment grade" and may face ongoing uncertainties and exposure to adverse business, financial, or economic conditions that could lead to the issuer's inability to make timely interest and principal payments. The market values of some of these lower rated debt securities tend to reflect individual corporate developments to a greater extent than that of higher rated securities, which react primarily to fluctuations in the general level of interest rates and tend to be more sensitive to economic conditions than higher rated securities. Issuers that issue lower rated debt securities are often highly leveraged and may not have access to more traditional methods of financing. Trading in such securities may be limited or disrupted by an economic recession,

resulting in an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the debt issuers to repay principal and pay interest thereon and, therefore, increase the incidence of default for such securities. In the event of a default, there is the risk of losing most or all of the assets invested in such defaulted security.

#### D. ETFs.

SVN Global also recommends investments in ETFs to certain Clients. ETFs are hybrid investment companies that may be registered as open-end investment companies or unit investment trusts, but which possess some of the characteristics of closed-end funds. ETFs often hold a portfolio of common stocks, or bonds, which is intended to track the price and dividend (or interest) performance of a particular index. Certain ETFs are actively managed, and the performance of such entities will be dependent upon third-party managers. The market price for ETF shares may be higher or lower than the ETF's net asset value. Regarding sales not conducted in the market (which typically require the sale of a larger number of shares), the sale and redemption prices of ETF shares purchased from the issuer are based on the issuer's net asset value. The total return on ETF investments will be reduced by the operating expenses and fees of such investment companies, including advisory fees.

#### E. Other Risks.

Additional risks involving SVN Global' investment strategies include, but are not limited to:

*General Economic and Market Conditions.* General economic or market conditions may adversely affect the investments recommended to Clients. In addition, a downturn or contraction in the economy or in the capital markets, or in certain industries or geographic regions thereof, may restrict the opportunity to liquidate any such investments, each of which could prevent Clients from meeting their investment objectives.

*Illiquid Investments.* Certain investments may be illiquid with no assurance that Clients will be able to realize on any such investment in a timely manner. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on the investment's resale.

*Private Funds.* SVN Global may recommend investments in private funds to certain clients. Investments in private funds involve risks distinct from those of publicly traded securities. Specific risks are explained in more detail with clients for whom we recommend investing in private funds. Also, clients who invest in private funds will receive copies of the private funds' offering documents, which also discuss the risks of such investments.

*Foreign Investments.* SVN Global may invest in opportunities located in countries outside the US. Accordingly, the business and financial results of Clients could be adversely affected due to social or judicial instability, acts or threats of terrorism, changes in governmental policies or policies of central banks, expropriation, nationalization and/or confiscation of assets, price controls, fund transfer

restrictions, capital controls, exchange rate controls, taxes, inadequate intellectual property protection, unfavorable political and diplomatic developments, changes in legislation or regulations and other additional international developments or restrictive actions.

*Cyber Security Breaches and Identity Theft.* Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. The information and technology systems of SVN Global and their respective investments may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. Although SVN Global has implemented disaster recovery and business continuity plans to manage risks relating to these types of events, the failure of these systems and/or of disaster recovery plans for any reason could lead to an interruption in SVN Global's operations.

## **RISK OF LOSS**

As part of its investment strategy, SVN Global can invest in non-US bonds, non-US equities, non-investment grade securities, Eurobonds, or similar securities, including Emerging Markets securities. Some of these securities could be illiquid and not have a readily available market.

### **Risks Of High Yield Investing**

Accounts can be invested in debt securities which are rated below investment grade ("lower-rated securities," sometimes referred to as "high yield" or "junk bonds") or which are unrated but deemed equivalent to those rated below investment grade by SVN Global. The lower the ratings of such debt securities, the greater their risks. These debt instruments generally offer a higher current yield than that available from higher-grade issues, but typically involve greater risk. The yields on high yield/high risk bonds will fluctuate over time. In general, prices of all bonds rise when interest rates fall and fall when interest rates rise. Lower-rated and unrated securities are especially subject to adverse changes in general economic conditions and to changes in the financial condition of their issuers. During periods of economic downturn or rising interest rates, issuers of these instruments can experience financial stress that could adversely affect their ability to make payment of principal and interest and increase the possibility of default. SVN Global can have difficulty disposing of certain high yield bonds because there could be a thin trading market for such securities. To the extent that a secondary trading market for high yield bonds does exist, it is generally not as liquid as the secondary market for higher-rated securities. Reduced secondary market liquidity can have an adverse effect on market price and SVN Global ability to dispose of issues.

Adverse publicity and investor perceptions, whether based on fundamental analysis, could also decrease the values and liquidity of these securities, especially in a market characterized by only a small amount of trading.

## **Risks Of Global Investing**

Global investing involves special economic and political considerations. Such considerations include changes in exchange rates and exchange rate controls (which can include suspension of the ability to transfer currency from a given country), currency devaluations, costs incurred in conversions between currencies, non-negotiable brokerage commissions, less publicly available information, different accounting standards, lower trading volume and greater market volatility, the difficulty of enforcing obligations in other countries, less securities regulation, different tax provisions (including withholding on dividends and interest paid to an account), war, expropriation, political and social instability, and diplomatic developments.

## **Risks Of Emerging Markets Investing**

Emerging market countries are those countries defined as “emerging markets” by certain entities such as the World Bank or the United Nations. Securities of many issuers in emerging markets could be less liquid and more volatile than domestic issuers. Emerging markets also have different clearance and settlement procedures, and in certain markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Delays in settlement could result in temporary periods when a portion of the assets of an account is uninvested and no return is earned thereon. The inability of an account to make intended security purchases due to settlement problems could cause an account to miss attractive investment opportunities. Inability to dispose of portfolio securities due to settlement problems could result either in losses to an account due to subsequent declines in value of the account securities or, if an account has entered into a contract to sell the security, in possible liability to the purchaser. Costs associated with transactions in foreign securities are generally higher than costs associated with transactions in US securities. Such transactions also involve additional costs for the purchase or sale of foreign currency.

Foreign investment in certain emerging market debt obligations is restricted or controlled to varying degrees. These restrictions or controls can at times limit or preclude foreign investment in certain emerging market debt obligations and increase the costs and expenses of an account. Certain emerging markets require prior governmental approval of investments by foreign persons, and/or impose additional taxes on foreign investors. These markets could also restrict investment opportunities in issues in industries deemed important to national interests.

Certain emerging markets can require governmental approval for the repatriation of investment income, capital, or the proceeds of sales of securities by foreign investors. In addition, if deterioration occurs in an emerging market’s balance of payments or for other reasons, a country could impose temporary restrictions on foreign capital remittances. An account could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital, as well as by the application to an account of any restrictions on investments.

Many emerging markets have experienced, and continue to experience, high rates of inflation. In certain countries, inflation has at times accelerated rapidly to hyperinflationary levels, creating a negative interest rate environment, and sharply eroding the value of outstanding financial assets in those countries. Increases in inflation could have an adverse effect on an account's non-dollar denominated securities and on the issuers of debt obligations generally.

Individual foreign economies can differ favorably or unfavorably from the US economy in such respects as growth of gross domestic product, rate of inflation, capital reinvestment, resources, self-sufficiency, and balance of payments position. The securities markets, values of securities, yields and risks associated with securities markets in different countries can change independently of each other.

Investment in sovereign debt can involve a high degree of risk. Holders of sovereign debt (including an account) could be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. There is no bankruptcy proceeding by which sovereign debt on which governmental entities have defaulted can be collected in whole or in part.

Additionally, there can be no assurance that an account's investment in Emerging Markets will not be expropriated, nationalized, or otherwise confiscated.

### **Leveraged Trading**

Securities can be traded on a leveraged or marginal basis. Accordingly, a relatively small price movement could result in immediate and substantial loss to the investor. Although the use of leverage can substantially improve the return on invested capital, it also could increase any adverse impact to which the account's investment portfolio can be subject.

### **Short Selling**

Short sales strategies can be used in which a security not owned will be sold in the hope of purchasing the same security later at a lower price. A loss will be incurred because of a short sale if the price of the security increases between the date of the short sale and the date when the position is covered (i.e., purchases the security to replace the borrowed security.) A gain will be realized if the security declines in price between these dates. A short sale involves the theoretically unlimited risk of an increase in the market price of the security.

### **Investment Risks**

Markets are speculative, prices are volatile, and movements are difficult to predict. Supply and demand change rapidly and are affected by a variety of factors, including interest rates, merger activities and general trends in the overall economy or particular industry or other economic sectors. A variety of factors that are inherently difficult to predict, such as domestic and international political developments, governmental trade and fiscal policies, patterns of trade and war or other military conflict also can have significant effects on the market. There could be limited ability to vary an investment portfolio in response

to changing economic, financial and investment conditions. Those risks can be enhanced significantly by the concentration of investments, a consequent lack of diversification and the potential that creates for volatility. No assurance can be given as to when or whether adverse events might occur that could cause significant and immediate loss in the value of a portfolio. Even in the absence of such events, large losses could be acquired.

## **Risk of Funds Investing**

Investing in Funds in general can have the following risks associated:

Market Risk: The value of the underlying investments could decline because of unavoidable risks that affects the entire market.

Liquidity Risk: There is the risk that underlying investments in a fund is not able to be sold because there are no buyers in the market. As a result, the value of underlying securities could decline to zero in the case of illiquidity in the market.

Credit Risk: Funds that invest in fixed income securities (bonds) has the credit risk of the bond issuer. Credit risk exists if the bond issuer is unable to repay a bond upon maturity and/ or interest payments of a bond. This could result in the bond being worthless.

Interest Rate Risk: Funds that invest in fixed income securities (bonds) have the risk of the value of the security to decline during periods of rising interest rates.

Country Risk: Political or instability of a country can negatively affect the value of a security which could result in declining values.

Currency Risk: Investments that are denominated in other currencies have the risk of devaluation based on the foreign exchange value rates compared against the US dollar.

## **Risk of Hedge Fund Investing**

Hedge funds present special risks and disadvantages to the investor and in general carry a high degree of risk. A non-exhaustive discussion of the potential risks and disadvantages associated with hedge funds includes engagement in leveraging and other speculative investment practices that could increase the risk of investment loss; a high level of illiquidity; the lack of required periodic pricing or valuation information; potential for complex tax structures and delays in the distribution of important tax information; potentially high fees; and the lack of regulatory requirements imposed upon mutual funds.

Further, no person should consider investing in a hedge fund more than he can comfortably afford to lose and there can be no assurance that any investment in a hedge fund will be successful or that its objectives will be attained. By nature, investment in a hedge fund is speculative and suitable only for the investor who is aware of the risks involved. Following are certain risks discussed within the context of hedge fund

investing but can also be applicable to SVN Global's overall investment strategy and should be carefully digested with that in mind.

*Hedge Fund Trading is Speculative and Volatile* - Prices are highly volatile and a hedge fund's trades are purely speculative. No assurance can be made that such speculative trading will result in a profit or will not incur substantial losses.

*Leveraged Trading by Hedge Funds* - A hedge fund can trade securities on a leveraged or marginal basis. Accordingly, a relatively small price movement could result in immediate and substantial loss to the investor. Although the use of leverage can substantially improve the return on invested capital, it also can increase any adverse impact to which the hedge fund's investment portfolio could be subject.

*Short Sales by Hedge Funds* - At times, a hedge fund can engage in short sales in which it will sell a security it does not own in the hope of purchasing the same security at a later date at a lower price. The hedge fund will incur a loss as a result of a short sale if the price of the security increases between the date of the short sale and the date on which the hedge fund covers its short position (i.e., purchases the security to replace the borrowed security.) A hedge fund will realize a gain if the security declines in price between these dates. A short sale involves the theoretically unlimited risk of an increase in the market price of the security.

*Markets and Securities Traded Could be Illiquid* - At various times, the markets for securities purchased or sold could be illiquid, making purchase or sale of securities at desired prices or in desired quantities difficult or impossible.

*Spread Trading and Arbitrage Trading Can Involve Potential Risks* - Investment operations can involve spread positions between two or more securities positions. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. Such positions, however, entail a substantial risk that the price differential could change unfavorably causing a loss to the spread position. The trading operations also could involve arbitrage between a security and its announced buy-out price or other forms or "risk arbitrage" between various securities. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. These offsetting positions entail substantial risk that the price differential could change unfavorably causing a loss to the position.

*Currency and Exchange Rate Risks* - Changes in currency exchange rates can affect the value of a hedge fund's portfolio and the unrealized appreciation or depreciation of investments. Further, a hedge fund can incur higher brokerage commissions in connection with conversions between currencies as brokers are subject to risks during the conversion process. A hedge fund can seek to protect the value of some portion or all its portfolio holdings against currency risks by engaging in hedging transactions, if available, cost effective and practicable. A hedge fund can enter forward contracts on currencies as well as purchase put and call options on currencies. There is no certainty that instruments suitable for hedging currency

shifts will be available as a hedge fund wishes to use them or that even if available the hedge fund will elect to utilize a hedging strategy.

Additional risks as discussed in greater detail in the topics Risks of High Yield Investing, Risks of Global Investing, Risks of Emerging Markets Investing and Special Risks Relating to Certain Investment Instruments can also be applicable to hedge fund investing and should be reviewed within that potential context also.

### **Special Risks Relating to Certain Investment Instruments**

**Currency Forwards** - Currency forwards can be purchased or sold in order to hedge the decline in value of securities or to invest in the currency of an Emerging Market country. SVN Global can enter into contractual obligations to purchase a specific currency at an agreed upon price for a specific date with a known counterparty. There is the risk that the counterparty will not be able to perform its obligation (counterparty risk).

**Certificates of Deposit** - SVN Global can purchase certificates of deposit (CDs) issued by commercial banks that can be domiciled in an Emerging Market country, or through an offshore branch of such a bank. CDs can settle domestically with a local custodian or sub custodian or can settle via "Euroclear" (EuroCDs). CDs can be denominated in local currency or in a major currency such as the U.S. dollar or Japanese Yen or be linked to hard currency. CDs could be rated or unrated.

**Commercial Paper/Medium Term Notes** - SVN Global can purchase commercial paper (CP), or medium-term notes (MTNs) issued by a private sector enterprise domiciled in an Emerging Market country or through its offshore entity via a special purpose vehicle or note program. CP/MTNs can settle either domestically with a local custodian, in "Euroclear" (EuroCP or EuroMTNs), or in other major markets (such as Asian currency notes). CP/MTNs can be denominated in local currency or in a major currency such as the U.S. dollar or be linked to a hard currency. CP/MTNs could be rated or unrated.

If a Foreign Currency Constraint Event happens where under certain circumstances an Issuer is restricted or prevented from paying the Specified Currency for amounts owing under the CDs, holders of CDs can elect to receive payment in the lawful currency of the pertinent country, i.e., Brazil. If a holder does not elect to receive payments in the lawful currency of the pertinent country, i.e., Brazil, after the termination of the Foreign Currency Constraint Event such holder will receive any payments in respect of the CDs in such Specified Currency. A Foreign Currency Constraint Event will not be deemed to be an event of default and holders of CDs containing a Foreign Currency Constraint provision shall have no recourse against the Issuer's assets and operations outside the pertinent country, i.e., Brazil, including, without limitation its assets and operations in another jurisdiction or country.

**Structured Products** - SVN Global can purchase structured products in various forms.



**Illiquid and Restricted Securities** - The absence of a trading market can make it difficult to ascertain a market value for illiquid securities. Disposing of illiquid securities can involve time-consuming negotiation and legal expenses, and it can be difficult or impossible for an account to sell them promptly at an acceptable price.

**Convertible Securities** - While convertible securities generally offer lower yields than non-convertible debt securities of similar quality, their prices can reflect changes in the value of the underlying common stock. Convertible securities generally entail less credit risk than the issuer's common stock.

An account can be required to permit the issuer of a convertible security to redeem the security and convert it into the underlying common stock or the cash value of the underlying common stock. Thus, an account is not able to control whether the issuer of a convertible security chooses to convert that security. If the issuer chooses to do so, this action could have an adverse effect on an account's ability to achieve its investment objectives.

**Zero Coupon Securities** - Zero coupon securities are subject to greater market value fluctuations from changing interest rates than debt obligations of comparable maturities that make current cash distributions of interest.

**Derivatives** - This includes, without limitation, forward currency contracts, swap contracts, financial futures, index options, etc. The risks of derivatives include the possible default by the other party to the transaction, illiquidity and, to the extent SVN Global view as to certain market movements is incorrect, the risk that the use of such derivatives could result in losses greater than if they had not been used. Use of put and call options can result in losses to an account, force the sale or purchase of account securities at inopportune times or for prices higher than (in the case of put options) or lower than (in the case of call options) current market values, limit the amount of appreciation an account can realize on its investments or cause an account to hold a security it might otherwise sell. The use of currency transactions can result in an account incurring a loss because of a number of factors including the imposition of exchange controls, suspension of settlements or the inability to deliver or receive a specified currency. The use of options and futures transactions entails certain other risks. In particular, the variable degree of correlation between price movements of futures contracts and price movements in the related account position of an account creates the possibility that losses on the hedging instrument could be greater than gains in the value of an account's position. In addition, futures and options markets are not always liquid in all circumstances and certain over-the-counter options could have no markets. As a result, in certain markets, an accountant might not be able to close out a transaction without incurring substantial losses, if at all. Although the use of futures contracts and options transactions for hedging should tend to minimize the risk of loss due to a decline in the value of the hedged position, at the same time they tend to limit any potential gain which might result from an increase in value of such position.

Finally, the daily variation margin requirements for futures contracts would create a greater ongoing potential financial risk than would purchases of options, where the exposure is limited to the cost of the

initial premium. Losses resulting from the use of derivatives would reduce net asset value, and possibly income, and such losses can be greater than if the derivatives had not been utilized.

### **Risk of Default**

In parallel to the general trends prevailing on the financial markets, the particular changes in the circumstances of each issuer may have an effect on the price of an investment. Even a careful selection of securities or other financial assets cannot exclude the risk of losses generated by the depreciation of the issuers' situation.

***Investing in securities involves risk of loss that clients should be prepared to bear.***

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

SVN Global and its employees have not been involved in any legal or disciplinary events that would be material to an evaluation of SVN Global's advisory business or the integrity of the Firm's management.

SVN affiliate SVN Assessores may have a disciplinary event but is not related to SVN Global or its employees.

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

#### **Registration as a Broker/Dealer or Broker/Dealer Representative**

Alejandro Vicens, the firm's Chief Compliance Officer, serves as outsourced Compliance Officer. We do not believe that the relationship creates a conflict with SVN Global because Mr. Vicens does not manage investments with any FINRA registered Broker-Dealers or State or SEC/State Registered Investment Advisors. Mr. Vicens is Vice President Consultant of CIMA Financial Regulation Consultants, which provides Regulatory Compliance, Anti-Money Laundering, and Financial Operations consulting services.

#### **Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither SVN Global nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

## Item 11 – Code of Ethics, Participation or Interest in client Transactions and Personal Trading

### CODE OF ETHICS

It is the policy of SVN Global that all investment advisory services and related activities comply fully with the provisions of the Advisers Act and the rules and regulations thereunder, and other applicable federal and state laws.

SVN Global has a fiduciary duty to its clients. It is of the greatest importance that our clients never have reason to doubt their decision to place their faith and confidence in us. Any action that can cause that decision to be questioned jeopardizes the future of SVN Global and its employees. If an employee becomes aware of any activities that he/she believes could be in violation of the law or the policies of SVN Global, it is their responsibility to pass this information on to his/her supervisor or the Chief Compliance Officer.

The purpose of SVN Global' Code of Ethics, wherein SVN Global' Personal Securities Transactions Policy Statement is incorporated by reference, is to maintain high standards of ethical conduct for SVN Global and its personnel. In so doing, this Code of Ethics addresses the following: STANDARD OF CARE, SUITABILITY, CONFIDENTIALITY, CONFLICTS OF INTEREST, SUPERVISORS' ROLES, PERSONAL SECURITIES TRANSACTIONS REPORTING REQUIREMENTS, GIFTS AND ENTERTAINMENT, OUTSIDE BUSINESS ACTIVITIES, INSIDER TRADING, PROHIBITED ACTIVITIES, and CONSEQUENCES OF CODE VIOLATIONS. SVN Global' CODE OF ETHICS is available to all clients upon their request.

Any reference to SVN Global' Code of Ethics below incorporates SVN Global' Personal Securities Transactions Policy Statement also. All SVN Global employees must acknowledge the terms of the Code of Ethics and Personal Securities Transactions Policy Statement at the beginning of their employment and annually thereafter.

SVN Global anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which SVN Global has management authority to effect and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which SVN Global, its affiliates and/or clients, directly or indirectly, can have a position of interest. SVN Global' employees and persons associated with SVN Global are required to follow SVN Global' Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors, and employees of SVN Global and its affiliates can trade for their own accounts in securities which are recommended to and/or purchased for SVN Global' clients. The Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of the employees of SVN Global will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of SVN Global' clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the

Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between SVN Global and its clients.

Certain affiliated accounts can trade in the same securities with client accounts on an aggregated basis when consistent with SVN Global's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. SVN Global will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

It is SVN Global's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. SVN Global will also not cross trade on an agency basis between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. Such transactions also include a cross trade involving any account that was 25% or more owned by an adviser and its controlling persons and securities crossed between an affiliated fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions can arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

For non-discretionary investment advice, the Client generally selects its own Broker for the implementation of the Firm's recommendations. However, the Client may ask the Firm to evaluate the quality of the Client's relationship with its current Broker(s) and/or recommend a different Broker. In making such a recommendation, the Firm will evaluate the Client's needs, as disclosed to the Firm, and will focus primarily on the financial strength, execution costs, and responsiveness of the Broker. However, such Clients are advised that they must independently evaluate these Brokers before opening an account or transacting business, and that they are not under any obligation to effect business through any recommended firm.

When SVN Global provides non-discretionary advisory services to certain Clients pursuant to which SVN Global makes recommendations on purchasing, selling, holding, valuing, or exercising rights with respect to particular investments, it does not have discretion to effect purchases or sales on behalf of such Clients without their prior approval. This is despite the fact that clients may provide authorization to SVN to effect

or cause to effect transactions in order to implement the investment advice. It is likely that discretionary and non-discretionary Clients hold the same or similar securities. There may be timing differences related to the transmission of advice to a non-discretionary Client for consideration and the Client's decision of whether or not to act on the advice. As a result, it is possible that trades or recommendations will be affected on behalf of discretionary Clients in advance of accounts for non-discretionary Clients. This could result in discretionary and non-discretionary Clients receiving more or less favorable execution prices on the same security and may result in potential differences in performance for the same security.

There may be instances where a client in a non-discretionary relationship has granted SVN Global authority to transmit orders to the custodian on its behalf. In cases where SVN Global is authorized to order transactions on behalf of Clients, the Firm will seek to obtain "best execution," the best available combination of execution, price (which includes the cost of the transaction), and other factors, among each Client's list of approved Brokers. In seeking best execution, the Firm takes into account all factors it deems relevant including, but not limited to, the financial stability and reputation of the particular Broker, the ability to achieve prompt and reliable executions at favorable prices, and the operational efficiency with which transactions are affected. In instances where the client has a single custodian, SVN Global will enter into the transactions with that custodian and will monitor the competitiveness of transaction execution.

On occasion, Clients require that their financial assets remain in the custody of various financial institutions that are not able to implement SVN Global's recommendations. In such instances, SVN Global will select from the investment options available at such institutions in order to implement the Client's investment strategy. In these circumstances, direction by a Client to use a particular financial institution may result in higher costs, less favorable investments, and (materially) different performance than if SVN Global could freely recommend investments not limited to a particular financial institution or platform.

SVN Global executes all Client trades through each Client's custodial Broker(s), or other Brokers approved by Clients. SVN Global does not affect transactions with Brokers that have not been approved in advance by the Client. The Firm will attempt to negotiate lower commission schedules for Clients where possible. However, the most favorable execution may not be obtainable at all custodial Brokers, which may cost Clients more money.

The Firm's business model, which includes non-discretionary and directed brokerage accounts, does not support aggregating orders among Client accounts. This may or may not result in some Clients paying higher brokerage commissions because of the Firm's inability to reduce transaction costs through order aggregation. In addition, directed brokerage may result in Clients receiving less favorable prices. However, in the event of the purchase of a new issue, the sale of a particular security, or other investment related reasons, SVN Global may aggregate orders in an attempt to receive a better execution price for its clients.

Notwithstanding, SVN Global seeks to allocate orders fairly between Clients and has established trade order procedures for both discretionary and non-discretionary accounts. For discretionary accounts, SVN Global typically executes its recommendations in a random order immediately and normally within the

same day, after the same trade has been submitted for pre-approval to all non-discretionary Clients the Firm has deemed to be suitable. Trade approvals from non-discretionary Clients are queued and executed in the order in which they are received. The use of different executing Brokers will likely result in some Clients paying different Broker-imposed trade fees compared to other Clients. In addition, the timing in which transactions are affected by various Brokers may result in different execution prices on transactions.

The Firm does not have any soft dollar relationships.

With respect to discretionary Clients, the Firm is responsible for selecting the Brokers used for a securities transaction from a client's approved Brokers list. In negotiating commission rates and selecting Brokers, the Firm seeks to obtain the best execution, as described above. It is noted that since commission rates are generally negotiable, selecting Brokers on the basis of considerations which are not limited to applicable commission rates may, at times, result in higher transaction costs than would otherwise be obtainable.

## **CLIENT REFERRALS IN EXCHANGE FOR BROKER DEALER SERVICES**

In selecting or recommending broker dealers SVN Global does not consider whether a broker dealer can provide SVN Global or a related person with client referrals. Currently, SVN Global does not have any agreements, either written or oral, relating to client referrals with any broker dealer.

### **Item 13 – Review of Accounts**

SVN Global has an account review process whereby discretionary relationship and non-discretionary relationships are reviewed to ensure updated client profiles, adequacy of advice being given and compliance with investment strategy parameters.

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

SVN Global will compensate third parties (affiliate or unaffiliate) for referring clients (i.e., Promoters). Such compensation can consist of a percentage of the annual management fees earned by SVN Global on assets under management of referred clients or other amount. Such arrangements are fully disclosed to clients in accordance with, and otherwise comply with, Rule 206(4)-1 under the Advisers Act.

Fees paid to said promoters, as described above, can be up to 80% of advisory fees for each promoted client per annum. Each arrangement between SVN Global and a promoting party is formally maintained in a written agreement. Such agreement: (i) describes the promoter's promotional activities and the associated compensation, (ii) contains an undertaking by the promoter to perform his or her duties

consistently with SVN Global' instructions and the Advisers Act and associated rules, and (iii) requires the promoter, at the time of any promotion, to provide the promoted client with a current copy of Part 2 of SVN Global' Form ADV and a promoter's separate disclosure document.

## **Item 15 – Custody**

SVN Global does not have custody of client accounts. Clients have given their custodians authorization to pay SVN Global' s management fees.

Clients should receive at least quarterly statements from the broker/dealer, bank or other qualified custodian that holds and maintains the client's investment assets. SVN Global will make reasonable efforts to ensure that its clients are receiving their account statements from their custodians. SVN Global urges its clients to carefully review such statements and compare such official custodial records to the account statements that SVN Global can provide you. Our statements can vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Should a client's agreement with their bank or custodian indicate or give SVN Global undue and unrequested authorization over a client's account that can give SVN Global 'custody' of the client's assets; the agreements have been stated between the client and their custodian and SVN Global has not requested custody over said assets. SVN Global will inform custodians that they do not require additional access to the client's assets that can give the firm custody.

See Item 13, Review of Accounts.

## **Item 16 – Investment Discretion**

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

When selecting securities and determining amounts, SVN Global observes the investment policies, limitations, and restrictions of the clients for which it advises.

Investment guidelines and restrictions are provided to SVN Global in writing per the Investment Management Agreement between the client and SVN Global.

## **Item 17 – Voting Client Securities/Class Actions/ Claims/Settlements/Proof of Claims**

### **VOTING CLIENT SECURITIES**

Unless the parties agree in writing, SVN Global does not have proxy voting authority and does not vote proxies. However, from time to time, at a client's request and as a courtesy, SVN Global can advise clients on how to vote proxies. Should SVN Global provide advice on voting proxies, SVN Global shall disclose any material conflict to the clients receiving the advice.

#### **CLASS ACTIONS/CLAIMS/SETTLEMENTS/PROOF OF CLAIMS**

Unless the parties otherwise agree in writing, SVN Global shall have no obligation or authority to take any action or render any advice to clients with respect to 1) class action claims, 2) settlements or 3) proofs of claims. SVN Global does not provide legal services or advice.

#### **Item 18 – Financial Information**

SVN Global has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.