

# **Davivienda Investment Advisor USA LLC**

## **d/b/a Davivienda Advisors**

**Form ADV Part 2A – Appendix 1**

### **Wrap Fee Program Brochure**

**March 2024**

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This wrap fee program brochure (“brochure”) provides information about the qualifications and business practices of Davivienda Investment Advisor USA LLC, doing business as Davivienda Advisors (“Davivienda Advisors”, “Adviser”, “us”, “we”, “our”).

If you (“your”, “client”, “clients”) have any questions about the contents of this brochure, don't hesitate to get in touch with us at (786) 238-7925 and/or by email at [support@daviviendaadvisors.com](mailto:support@daviviendaadvisors.com). The information in this wrap fee program brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Our CRD number is 319755.

Additional information is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select “Firm,” and type in our firm name). The results will provide you with access to both Parts 1 and 2 of our Form ADV).

Registration as an investment adviser does not imply any level of skill or training. Clients should utilize the oral and written information provided by advisers in determining which one to hire.

## Item 2 – Material Changes

Davivienda Advisors is required to advise you of any material changes to our brochure since our last annual update.

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 (786) 238-7925 and/or by writing us an email at [support@daviviendaadvisors.com](mailto:support@daviviendaadvisors.com). Our brochure is also available on our website <https://www.daviviendaadvisors.com>

Information about Davivienda Advisors 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 Davivienda Advisors who are registered, or are required to be registered, as investment adviser representatives of Davivienda Advisors.

There have been no changes since our most recent update.

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## Item 4 – Services, Fees, and Compensation

### **General**

Davivienda Investment Advisor USA LLC, d/b/a Davivienda Advisors, a limited liability company organized under the laws of the State of Florida on March 2, 2022, is an Investment Adviser registered with the Securities and Exchange Commission (SEC). Davivienda Advisors is wholly owned by Davivienda Corredores S.A. *Comisionista de Bolsa*, a broker dealer incorporated in Colombia, under the supervision of the Colombian Financial Superintendence, created in 1980 and with head office in Bogotá and branches in Cali, Bucaramanga, Medellín, Cartagena and Barranquilla. For more information, we encourage you to review Part 1 of our Form ADV which is available online at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

This brochure provides you with information regarding our qualifications, business practices, and advisory services. We recommend that you review it carefully.

### **Description of the Wrap Fee Program**

Under this Wrap Fee Program, Davivienda Advisors bundles, or “wraps”, investment advisory (portfolio selection and management), execution, settlement, custody, and various administrative services together and charges a single fee. The fee is based on the value of the assets under management (“AUM”).

Davivienda Advisors provides discretionary investment advisory services to clients through a digital platform by utilizing algorithms and methodologies for developing and implementing Model Portfolios (described below) with differing risk criteria. Due to the discretionary nature of the services offered, Davivienda Advisors will invest the available funds in a selected portfolio and make periodic adjustments and rebalancing transactions without asking clients for their concurrence or approval.

Davivienda Advisors provides its advisory services utilizing BCP Advisors LLC (d/b/a BCP Global) as a sub-adviser and using their proprietary online and mobile platform to digitize the processes of customer onboarding (individuals), account services, investment profile assessment, portfolio recommendation, and investment management.

Under our sub-advisory agreement, BCP Global is responsible for operating the platform and its related services. Davivienda Advisors will provide its clients access to the BCP Global platform via its interactive website and mobile application. BCP Global has retained the services of Interactive Brokers LLC (member FINRA/SIPC) (“Interactive Brokers” or “custodian”) for all the execution, clearing, and custody services. Clients will open cash accounts at Interactive Brokers to maintain their assets.

### **Investment Advisory Process**

As a first step, clients complete an online investment profile questionnaire by answering nine questions, including, investment knowledge and experience, financial situation, relative size of the investment, access to emergency funds, investment goal or objective, investment horizon,

and risk tolerance.

Based on the analysis of the information provided by the client, the algorithm embedded in the platform will recommend one or more suitable investment portfolios (the “Model Portfolios”) that are designed to meet the client’s investment profile. The client will have the ability to choose the recommended portfolio or disregard it and select another available portfolio. Clients could impose reasonable restrictions on the Model Portfolio, including the designation of particular securities or types of securities that should not be purchased or maintained for the client accounts; provided, however, that nothing herein requires that the Client has the ability to require that particular securities or types of securities be purchased for the client accounts.

The algorithm considers only the information provided by the client in answering the questionnaire. Other important information, if not included in the answers to the questionnaire, will not be considered in the recommendation.

Once the account has been funded and invested in the selected Model Portfolio, BCP Global will periodically rebalance the portfolio according to the recommendations of BlackRock Financial Management, Inc. (“BlackRock”), our model provider.

Inflows and outflows would require buy or sell transactions to be made in adequate proportions to maintain target exposure weights. Furthermore, significant market movements may put the portfolio out of balance and require transactions to bring target exposure weights back to normal.

Clients may use the online platform to request a portfolio change anytime.

Davivienda Advisors, in its role as investment advisor and fiduciary, supervises and customizes the investment profile questionnaire, provides parameters for the algorithm controlling the portfolio recommendations, and monitors the investment management process, including portfolio rebalancing.

### **Model Portfolios**

The Model Portfolios consist mainly of a combination of exchange-traded funds (“ETFs”) or Undertakings for Collective Investment in Transferable Securities (“UCITS”) that have been pre-selected because of their suitability to provide efficient market exposure and adequate diversification. ETFs are investment funds made up of a collection of assets, such as stocks and bonds, that are traded like individual stocks. UCITS are mutual funds registered in Europe under

A unified regulatory framework that can be sold to investors worldwide. UCITS ETFs are issued under the UCITS framework, suitable for non-US customers, and usually trading in European exchanges.

Each Model Portfolio has been designed to meet one or more investment goals or objectives and, in this sense, will provide an expected level of return with a corresponding level of residual (non-diversifiable) risks. This investment approach relies on the Modern Portfolio Theory (MPT) tenets. According to this theory, the optimal investment portfolio seeks to maximize returns for a certain level of residual risk. This is achieved by reducing diversifiable risks by combining asset classes and issuers with low and, in a few cases, negative correlations.

The investment styles reflected in our Model Portfolios may include long-term (buy and hold) allocations which would rebalance about once per year and tactical (active) allocations which would rebalance about 4-6 times per year.

The purpose of our Model Portfolios is to deliver efficiency, transparency, and cost-effectiveness. The ETFs and UCITS (ETFs) that comprise the Model Portfolios' components aim to meet specific goals, such as broad diversification, targeted exposure, and tax efficiency. The ETF selection process uses a database of more than 300 ETFs and is primarily driven by the exposure provided and their cost and operational efficiency.

More information is available under Item 6. Portfolio Manager Selection and Evaluation.

### **Fee Schedule**

The management fees charged by Davivienda Advisors are established in each client's written agreement. Davivienda Advisors bundles, or "wraps," investment advisory, portfolio management, and most brokerage, custody, clearing, settlement, and other administrative services and charges a single fee.

Management fees may be flat, fixed, or mixed upon negotiation. However, generally, and pursuant to the contract, fees for the management of accounts will be based upon a percentage of the total assets in the account. Davivienda Advisors typically charges an annual management fee as per the table below:

Up to \$100,000	1.60% of the AUM (Assets under Management)
\$100,001 to \$500,000	1.40% of the AUM
\$500,001 to \$1,000,000	1.20% of the AUM
Over \$1,000,000**	1.00% of the AUM

\*\*Management fees for AUM over \$1,000,000 are negotiable.  
No management fees are assessed on zero balance accounts.

The outlined management (wrap) fee pays for all Davivienda Advisors' advisory and portfolio management services as well as Interactive Brokers' covered brokerage services. Interactive Brokers will not charge you any fee in connection with the Program other than the specified wrap fee unless you request services beyond the covered brokerage services, which can include, without limitation, the transfer of shares from your Interactive Brokers' account to a brokerage account not associated with the Adviser, among others.

The advisory fee is automatically calculated and charged by Interactive Brokers. The calculation is made daily based on the ending market value ("EMV") of the assets managed by the Adviser. To make the daily calculation, Interactive Brokers applies the annual agreed-upon tiered rate to the EMV and divides it by 252 business days for the year. The monthly fee charged is the sum of the daily fee calculations.

The client shall pay Davivienda Advisors in arrears for services provided under the contract during each calendar month.

You will grant us the authority to receive our advisory fees from your account at Interactive Brokers. Clients agree that all fees will be deducted monthly from their accounts. When services are provided for less than one calendar month, the fee will be prorated based on the number of business days for which services were provided within the month. In rare cases where the automatic fee deduction arrangement is not in place, we will bill you directly for our services.

As previously mentioned, commissions charged by Interactive Brokers for trade execution will be absorbed by Davivienda Advisors.

Davivienda Advisors does not charge performance-based fees, that is, advisory fees based on a share of the capital gains or appreciation of a client's assets.

If Davivienda Advisors, BCP Global, or Interactive Brokers suspend all services under the Wrap Fee Program, Davivienda Advisors, at its sole discretion, will credit to your advisory account maintained at Interactive Brokers the prorated fee for the period during which all services for the account were suspended.

### **Fees charged directly by the ETFs and UCITS**

Clients acknowledge that certain investments, such as the ETFs and UCITS that comprise the Portfolios, charge their own fees and/or expenses. In such cases, the deduction of the fees and expenses of the ETFs and UCITS occurs from the ETFs and UCITS' average net assets, including the brokerage fees and other costs and charges incurred internally in the ETFs and UCITS. These fees and expenses are reflected in the price of the ETF and UCITS shares and are not separately deducted from your advisory account held with Interactive Brokers. The fees and expenses charged by the ETFs and UCITS are separate and distinct from the wrap fee for our advisory services. By participating in Davivienda Advisors' services, clients acknowledge that they have access to information concerning the fees charged and costs incurred by each.

ETF and UCITS are outlined in the applicable fact sheets available on the Davivienda Advisors' Website and BCP Global online platform. Please note if you request the delivery of paper documents (i.e., account statements) that Davivienda Advisors or the broker/custodian provides typically in electronic format, additional fees may be assessed by Davivienda Advisors or the broker/custodian.

### **Termination of the Agreement**

Either party may terminate the Investment Advisory Agreement (the "Agreement") at any time by written notice. Termination of the Agreement will not affect (a) the validity of any actions previously taken by us under the Agreement; (b) liabilities or obligations of the parties from transactions initiated before termination of the Agreement; or (c) your obligation to pay the advisory fees (pro-rated through the date of termination).

Clients may at any time elect to close the account and terminate the agreements with all entities via email at [support@daviviendaadvisors.com](mailto:support@daviviendaadvisors.com) or via a signed letter to Davivienda Advisors' principal office address. Upon receipt of any requests to terminate the agreement and close a customer account, Davivienda Advisors through BCP Global will:

- Instruct the broker/custodian to settle any pending purchases or sales.
- Instruct the broker/custodian to initiate liquidating sales on all ETFs and UCITS shares in the account and to send the account balance, minus any portion of the wrap fee or other fees due<sup>1</sup>, to the account you have registered and instruct us to deliver the funds to.

Alternatively, if a client requests to transfer the holdings in their account with us to another account in their own name and at another custodian, we will transfer the available shares if the other custodian is able to accept them. In such cases, Davivienda Advisors will instruct BCP Global to instruct Interactive Brokers to transfer the shares in accordance with the client's instructions, minus any fees due for in-kind transfers to another custodian.

## **Item 5 – Account Requirements and Types of Clients**

Davivienda Advisors provides investment advisory services to individuals, high net worth individuals, trusts, and corporations located in those states where we operate and a select list of countries. In general, there is a \$20,000 minimum investment commitment to open an account and we recommend our clients to maintain a minimum account size of \$15,000. Davivienda Advisors reserves the right to waive account minimums on a case-by-case basis and at its sole discretion.

## **Item 6 – Portfolio Manager Selection and Evaluation**

Davivienda Advisors hired BCP Global as its sub-adviser to leverage operational and portfolio management efficiencies and to offer its clients convenience and better experiences derived from an online and mobile solution.

Davivienda Advisors selected BlackRock Model Portfolio Solutions because, being one of the largest asset managers in the world, BlackRock has extensive global teams of analysts, portfolio managers, and strategists, leveraging state-of-the-art resources to analyze market information and risks, providing them robust capabilities in the design and management of global model portfolios that reflects in their overall performance.

The line-up of BlackRock-sponsored and managed ETFs and UCITS is broad, comprehensive, and known for its efficiency.

The investments offered by the Adviser will be integrated into a platform, where clients will answer a series of personal and investment-related questions, thus setting a recommended allocation between portfolios available through the program. Investing in securities involves the risk of loss that clients should be prepared to bear.

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<sup>1</sup> Davivienda Advisors may deduct any unpaid and pro-rated portion of the wrap fee owed through the day Davivienda Advisors received the cancellation notice and any other fees owed for irregular services, including but not limited to paper delivery of documents, transfer, or physical delivery of shares



## **Investment Strategies and Methods of Analysis**

Davivienda Advisors utilizes specific model portfolios designed by BlackRock's Model Portfolio Solutions and implemented by BCP Global through its online platform.

Given a client's specific investor profile, which is determined by analyzing the answers provided by the client to an online questionnaire, the algorithms embedded in the online platform will recommend one or more suitable portfolios. The recommended BlackRock model portfolios were designed after a systematic and in-depth analysis of possible combinations of asset classes to obtain an optimal allocation that is reflective of clients' goals and risk tolerances.

The optimal mix of asset classes and sub-classes for a portfolio is expected to generate a target level of return and risk. As per the modern portfolio theory, the objective is to create an asset allocation that produces the maximum possible return for a given level of risk.

To reduce the risk of the portfolios, allocations include uncorrelated asset classes and sub-classes. Exposure to these asset classes and sub-classes is accomplished by using ETFs and UCITS. The universe of available ETFs is regularly reviewed to identify those most appropriate to represent each asset class and sub-class. The model portfolios use ETFs and UCITS managed by BlackRock affiliates.

An ETF is a security that usually tracks a basket of stocks, bonds, or assets like an index fund but trades like a stock on a stock exchange. Passively managed ETFs closely track their benchmarks, such as the Dow Jones Industrial Average or the S&P 500.

Passively managed ETFs restrict the fund manager from replicating the performance of their benchmark, usually, the indices they follow, and ensure the same level of investment diversification as the benchmark itself. Passively managed ETFs have the advantage of lower costs and asset rotation.

There are separate BlackRock model portfolios for US-based investors and for non-US investors. The main difference is the funds (ETFs) utilized in their composition. For US-based investors, the model portfolios use US-registered and US-traded ETFs, while for non-US investors the model portfolios use Europe-registered and Europe-traded (UCITS) ETFs.

There are separate BlackRock model portfolios reflecting two investment styles:

- The **Long Horizon** model portfolios rely on the principles that markets are efficient and exposure to certain risk factors explains most of the returns. It also relies on the importance of understanding current valuations and relative position in the economic cycle to adapt allocation and reduce risks. In this sense, Long Horizon portfolios are built following well-diversified, index-based, long-term strategies that should adapt via tactical tilts to macro conditions while controlling for unintended risks to preserve the portfolio. Five portfolios reflect different asset allocations from 100% global fixed income to 100% global equities. The portfolios usually have 5 to 10 different positions in ETFs or UCITS reflecting diverse asset classes and sub-classes that could be tactically tilted or rebalanced once per year.

- The **Target Allocation** model portfolios also rely on the principles that markets are efficient and exposure to certain risk factors explains most of the returns. It also relies on the importance of understanding current valuations and relative position in the economic cycle to adapt allocation and reduce risks. In this sense, Tactical Allocation portfolios are built following well-diversified, index-based strategies that should often adapt via tactical tilts to macro conditions while controlling for unintended risks to preserve the portfolio. Five portfolios reflect different asset allocations from 100% global fixed income to 100% global equities. The portfolios usually have 8 to 25 different positions in ETFs or UCITS reflecting a more diverse set of asset classes and sub-classes that could be tactically tilted or rebalanced 4-6 times per year.

Furthermore, when clients deposit or withdraw money from their Davivienda Advisors' account, they are authorizing us to initiate transactions for the purchase or sale of proportional interests in the portfolio of ETFs in an amount that corresponds to their revised allocation. Similarly, when clients modify their desired portfolio selection, they authorize us to initiate transactions to reflect their updated selection.

As a condition for obtaining our services, clients are required to agree to have their accounts automatically rebalanced. Non-US residents are directed to invest in accumulating share classes, meaning these funds have no dividend distributions.

Investing in securities involves the risk of loss of capital that clients should be prepared to bear. Please carefully review the section on Investment Risks.

### **Trade Execution, Account Maintenance, and Asset Custody**

When clients choose this Program, they are also choosing the brokerage services of Interactive Brokers, which is a broker-dealer and a FINRA member. Pursuant to contractual authority from the client, Interactive Brokers will maintain all client accounts and execute all securities transactions in client accounts without charging separate commissions for execution. Interactive Brokers' execution procedures are designed to make every attempt to obtain the best execution possible, although there can be no assurance that it can be obtained.

Generally, when clients make changes to their accounts, transactions will be aggregated and processed once a day, while changes clients make to their accounts after the cut-off time will be processed in aggregate trades the next business day. Markets for foreign-listed ETFs may close at different times during the day and follow a different holiday schedule. In this sense, non-US investors using foreign-listed ETFs may be subject to different cutoff times and trading delays. Deposits are subject to a processing period that may take up to five business days or longer; transactions depending on deposits becoming effective will only occur on the next business day after the processing period is complete.

To improve execution, Davivienda Advisors, through BCP Global, effects aggregated block transactions involving multiple Davivienda Advisors accounts. These transactions are not subject to mark-ups, mark-downs, or dealer spreads. In conducting these transactions, and to treat all customers fairly, no client is favored over any other client, and each client that participates in an aggregated transaction will participate at the average share price for the transactions in the aggregated order.

## **Investment Concentration**

Even though model portfolios are well diversified by design, some client accounts following a specific type of model portfolio may have a higher concentration in one sector, industry, issuer, or security that may subject such accounts to greater risk of loss in the event such investments take an economic downturn.

## **Investment Risk Disclosures**

While Davivienda Advisors uses model portfolios to minimize potential losses, there are no assurances that such designs will succeed. It is possible that a client may lose a

substantial proportion or all its assets in connection with investment strategies recommended by the Adviser. The following is a discussion of typical risks for the Adviser's clients, but it does not purport to be a complete explanation of the risks involved in the recommended investment strategies.

There is no guarantee that in any investment period, particularly in the short term, a client's portfolio will achieve appreciation in terms of capital growth or that a client's investment objective will be met by following the Adviser's recommendations. The value of the securities the Adviser invests on behalf of its clients may be volatile. Price movements may result from factors affecting individual companies, sectors, industries, or geographical regions that may influence specific holdings or the securities markets in general. Furthermore, a client will be subject to the risk that inflation, economic recession, changes in the general level of interest rates, or other market conditions over which the Adviser will have no control may adversely affect investment results.

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

## **Market Risk**

Market risks affect the investment portfolio's value, are usually broad-based, and include adverse developments deriving from political, regulatory, market or economic events that affect issuers, sectors, industries, segments, or regions.

## **Investment Style or Asset Class Risks**

Different stages in the business and economic cycle may negatively affect certain investment styles (for example growth, value, large-cap, or small-cap stocks, etc.) or asset classes (for example emerging markets debt, real estate, etc.) These negative return periods could last several years.

## **Growth Company Risks**

Growth companies derive their valuations, for the most part, from future earnings and cash flow growth. Economic slowdowns may disproportionately affect the valuation of growth

companies.

### **Small- and Mid-Cap Company Risks**

Smaller sized companies have narrower customer bases, heightened reliance on suppliers, less access to financing and, in general, a higher level of exposure to changes in the business environment.

### **Sector Risks**

Issuers belonging to similar sectors or industries may be affected by the same events or developments.

### **High Yield Risks**

Issuers of bonds with a credit rating below investment grade are more susceptible to changes in the business and economic conditions, increases in interest rates, and restrictions in their access to financing.

### **Credit Risks**

These risks refer to issuers and counterparties being unable or unwilling to pay their obligations. A less robust financial condition, especially in terms of access to funds or liquidity, tends to increase credit risk.

### **Interest Rate Risks**

These risks refer to the loss of value in fixed-income investments, including preferred shares, as interest rates rise, and prices must adjust to reflect higher required yields.

### **Currency Risks**

These risks refer to the possibility that the value of a currency in which the investor has a long exposure becomes less valuable in terms of the investor's base currency.

### **Liquidity Risks**

Liquidity relates to the ability to sell an investment in a timely manner. The market for relatively illiquid securities tends to be more volatile. Investments in relatively illiquid securities may restrict the ability of a fund or portfolio manager to dispose of investments at a price and time that it wishes to do so. The risk of illiquidity also arises in the case of over-the-counter transactions as there is no regulated market, and the bid and offer prices will be established solely by dealers in these contracts.

### **Settlement Risks**

Execution may expose a client to the credit risk of parties with whom the Adviser trades on behalf

of the client and through the Broker-Dealer and to the risk of settlement default. Clearing, settlement, and registration systems in emerging markets need to be developed and may provide increased risks.

### **Short Selling Risks**

We typically will not directly engage in short selling in client accounts. However, we may invest in funds and other securities on behalf of clients that may sell securities short. Short selling by a fund manager can significantly impact the value and volatility of a fund held in a client's account. The possible losses from selling short differ from losses that could be incurred from a cash investment; the former may be unlimited, whereas the latter can only equal the total amount of the cash investment. Short selling activities are also subject to restrictions imposed by the various national and regional securities exchanges.

### **Emerging Markets Risks**

Investment strategies may include direct and indirect investments in securities in emerging markets and such investments involve special considerations and risks. These include a possibility of nationalization, expropriation or confiscatory taxation, foreign exchange control, political changes, government regulation, social instability, or diplomatic developments, which could adversely affect the economies of such countries or the value of a client's investments, and the risks of investing in countries with smaller capital markets, such as limited liquidity, price volatility, restrictions on foreign investment and repatriation of capital, and the risks associated with emerging economies, including high inflation and interest rates and political and social uncertainties. In addition, obtaining and enforcing a judgment in a court in an emerging country may be difficult. Investments in products of emerging markets may also become illiquid, constraining our ability to liquidate some or all of a client's portfolio holdings. Accounting standards in emerging market countries may not be as stringent as accounting standards in developed countries.

### **Material Risks for Particular Types of Securities**

The Adviser invests primarily in Exchange Traded Funds (ETFs) and UCITS. The material risks involved with investing in ETFs and UCITS are described below.

#### **ETF Risks including Net Asset Valuation and Tracking Error**

ETF performance may not precisely match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) specific securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Specific ETF strategies may, from time to time, include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than generally charged for exchange-traded equity securities and for which market quotations or valuation may be limited

or inaccurate. Clients should be aware that to the extent they invest in ETF securities, they will pay two levels of advisory compensation – advisory fees charged by the Adviser plus any management fees charged by the sponsor of the ETF. An ETF typically includes embedded expenses that may reduce the fund's net asset value and therefore directly affect the fund's performance and indirectly affect a client's portfolio performance or an index comparison. Expenses of the fund may include investment management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF sponsor. ETF tracking errors and expenses may vary.

### **Proxy Voting**

As a matter of policy and practice, Davivienda Advisors does not accept or maintain the authority to vote proxies on behalf of advisory clients. Clients will receive proxy statements through our custodian. Clients are responsible for receiving and voting proxies for all securities maintained in client portfolios. Davivienda Advisors does not provide advice to clients regarding the clients' voting of proxies.

## **Item 7 – Client Information Provided to Portfolio Managers**

Clients provide personal information to Davivienda Advisors and to BCP Global while answering the investor profile questionnaire. This information is utilized by Davivienda Advisors and BCP Global to recommend an investment portfolio.

At the time of account opening, client information, including non-public personal information, is shared with Davivienda Advisors and BCP Global to apply for a new account at Interactive Brokers, LLC. In this sense, Davivienda Advisors, BCP Global, and Interactive Brokers are unaffiliated parties, sharing your non-public personal information under provisions of contractual agreements and with the purpose of providing the entirety of the contracted services under this Wrap Fee Program.

Interactive Brokers may share your nonpublic personal information to provide execution, settlement, and custody services.

Each entity has its own privacy policies in compliance with regulations.

Even though we will make efforts to keep your information current, we encourage you to act proactively and keep us up to date on any changes in your personal information, including those parts that may be relevant for investment suitability and our portfolio recommendation. At least annually, Davivienda Advisors shall contact the Client to determine whether there have been any changes in Client's financial situation or investment objectives and whether the Client wishes to impose any reasonable restrictions on the management of the Client Portfolio or reasonably modify existing restrictions.

## Item 8 – Client Contact with Portfolio Managers

Clients may contact Davivienda Advisors' customer support by phone at (786) 238-7925 during our operating hours and by email at ([support@daviviendaadvisors.com](mailto:support@daviviendaadvisors.com)) at all times regarding administrative items or general inquiries about operating the platform. Investment advice is only provided through the online platform.

## Item 9 – Additional Information

### **Disciplinary Information**

Investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of an adviser or the integrity of the adviser's management. We have not been subject to any disciplinary events by regulators, nor are we a party to any legal events that are material to client evaluation of our advisory business. Please visit [www.advisorinfo@sec.gov](mailto:www.advisorinfo@sec.gov) at any time to view Davivienda Advisors' registration information and any applicable disciplinary action.

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

Davivienda Advisors is not registered with the SEC or FINRA as a broker-dealer and none of its management persons are registered and/or associated with another US broker-dealer.

Davivienda Advisors does not participate in any other financial activities or maintain other financial licenses.

As part of a large financial group, we have affiliated companies operating in banking, brokerage, and insurance in the US and other countries. We are controlled by Corredores Davivienda S.A. *Comisionista de Bolsa*, a broker-dealer incorporated in Colombia, under the supervision of the Colombian Financial Superintendency. Our managers include individuals with roles in Corredores Davivienda S.A. and in Banco Davivienda S.A.

For our operations, we rely on services provided by affiliates that are documented and compensated through service agreements.

For our business development efforts, we rely on the relationship managers and customer-facing staff at our affiliates. These joint marketing and promotional efforts are documented through correspondent agreements, legal representation agreements, and solicitation agreements, all in compliance with rules and regulations, as well as required approvals from each jurisdiction.

To maintain our independence and reduce any potential conflicts of interest, advisory services provided to our clients are controlled and supervised by Davivienda Advisors and delivered either through BCP Global online platform or through IARs duly registered with and supervised by us.

Some of our registered Portfolio Managers may have additional associations with Corredores Davivienda S.A. in Colombia and with Corredores Davivienda Panama S.A. Any actual or potential conflict of interest will be addressed with our Code of Ethics Compliance Program and with supervisory and operating procedures.

### *Other Financial Affiliates*

Please see the Adviser's Form ADV Part 1 for further details related to all affiliated entities.

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

Davivienda Advisors has adopted a Code of Ethics ("Code") pursuant to Rule 204A-1 of the Advisers Act to prevent violations of federal securities laws. Adviser expects all employees to act with honesty, integrity, and professionalism and to adhere to federal securities laws.

All officers, managers, and employees of the Adviser are subject to the Adviser's control and supervision (collectively referred to as "Supervised Persons") and are required to adhere to the Code.

### **Prevention of Insider Trading**

Davivienda Advisors has adopted policies designed to prevent insider trading that are more fully described in the Code. Adviser's policy on insider trading applies to securities trading and information handling by all Supervised Persons (including spouses, minor children, and adult members of their households and any other relative of a Supervised Person on whose behalf the Supervised Person is acting) for their own account or the account of any client of the Adviser.

Adviser takes its obligation to detect and prevent insider trading with the utmost seriousness. Adviser may impose penalties for breaches of the policies and procedures contained in the Code, even in the absence of any indication of insider trading. Depending on the nature of the breach, penalties may include a letter of censure, profit "give-ups," fines, referrals to regulatory and self-regulatory bodies, and dismissal.

### **Personal Securities Transactions**

#### *Periodic Reports*

As more fully described in the Code, "access persons" are required to submit reports detailing their personal securities holdings to the Chief Compliance Officer on an initial basis and thereafter on a quarterly and annual base.

As an alternative to submitting quarterly transaction reports, Adviser requires persons who are "access persons" to submit brokerage statements or trade confirmations if such documents contain the information required under Rule 204A-1(b)(2)(i)(A)-(E) under the Advisers Act.

#### *Initial Public Offerings and Limited Public Offerings*



Access Persons must obtain prior written approval from the Chief Compliance Officer before investing in initial public offerings (“IPOs”) or limited offerings (i.e., private placements).

### *Review of Personal Securities Reports*

The Chief Compliance Officer (or designee) is responsible for reviewing the Access Person’s Quarterly Transaction Reports, the Initial Holdings Report, and the Annual Holdings Report as part of the Adviser’s duty to maintain and enforce its Code.

### **Outside Business Activities and Private Investments of Employees**

Unless otherwise consented to by the Chief Compliance Officer, all employees are required to devote their full time and efforts to the Adviser’s business. As such, no person may make use of either his or her position as an employee or information acquired during employment or make personal investments in a manner that may create a conflict, or the appearance of a conflict, between the employee’s personal interests and the Adviser’s interests. Accordingly, every employee must complete a disclosure form and have the form approved by the Chief Compliance Officer before serving in any of the capacities or making any of the investments more fully described in the Code.

### **Reporting Violations**

All Supervised Persons (any officer, director, partner, and employee of the Adviser) are required to report actual or known violations or suspected violations of the Adviser’s Code promptly to the Chief Compliance Officer or his designee.

Any report of a violation or suspected violation of the Code will be treated as confidential to the extent permitted by law. As part of the Adviser’s obligations to conduct an annual review of all its policies and procedures pursuant to Rule 206(4)-7 of the Advisers Act, the Chief Compliance Officer shall review on an annual basis the adequacy of the Code and the effectiveness of its implementation.

### **Recordkeeping**

Adviser maintains the following:

- Copies of the Code.
- Records of violations of the Code and actions taken because of the violations.
- Copies of Adviser’s supervised persons’ written acknowledgement of receipt of the Code.
- Records of Access Persons’ personal trading — Initial Holdings Reports, Annual Holdings Reports, and Quarterly Transaction Reports, including any information.

provided under Rule 204A-1(b)(3)(iii) in lieu of such reports, i.e., brokerage confirmations and transaction reports.

- A record of the names of Adviser’s “Access Persons”.
- Records of decisions, and the reasons supporting the decision to approve an Access Person’s acquisition of securities in initial public offerings or limited

- offerings; and
- Records of decisions and the reasons supporting the decision to approve the Chief Compliance Officer's acquisition of securities in initial public offerings or limited offerings.

### **Acknowledgment of the Code**

Each employee will execute a written statement certifying that the employee has (i) received a copy of the Adviser's Code; (ii) read and understands the importance of strict adherence to such policies and procedures; and (iii) agreed to comply with the Code.

### **Training and Education**

All Supervised Persons, i.e., all employees, are to receive training on complying with the Code on an annual basis as part of the Adviser's annual employee compliance review meeting to ensure that all employees fully understand their duties and obligations and how to comply with the policies and procedures.

### **Copies of Adviser's Code**

A copy of the Adviser's Code is available upon request. For a copy, don't hesitate to get in touch with us at (786) 238- 7925.

### **Participation or Interest in Client Transactions and Associated Conflicts of Interest**

Adviser may recommend or invest in securities, including funds issued, or managed by its affiliates (or where the affiliate acts as general partner) in which its affiliates have a material financial interest. Adviser has policies that require personnel who develop advice and recommendations for clients to render only disinterested and impartial advice to clients and comply with other fiduciary obligations, including having an adequate basis for all recommendations and an obligation to recommend only investments suitable for each particular client.

The Code generally governs the potential conflicts of interest involved in any such transactions. Pursuant to the stipulations of the Code, the Adviser or a related person may buy or sell securities for itself securities that it also recommends to clients. The potential conflicts of interest involved in such transactions are governed by the Code, which establishes sanctions if its requirements are violated and requires that the Adviser and employees place the interests of the Adviser's clients above their own.

### **Investments in Securities by the Adviser and its Personnel**

The Adviser's personnel or a related person may invest in the same or similar securities and investments as those recommended to or entered into on behalf of the Adviser's clients. The results of the investment activities of the Adviser's personnel or its related persons for their accounts may differ from the results achieved by or for client accounts managed by the Adviser. The conflicts raised by these circumstances are discussed below.

Adviser may recommend or effect the purchase or sale of securities in which its related persons

or an affiliate, directly or indirectly, has a position or interest or of which a related or affiliated person buys or sells for itself. Such transactions may also include trading in securities in a manner inconsistent with the advice given to the Adviser's clients.

Activities and transactions for client accounts may be impaired or affected at prices or terms that may be less favorable than would otherwise have been the case if Adviser or related persons did not pursue a particular course of action with respect to the issuer of the securities. In addition, in certain instances, the Adviser's personnel may obtain information about the issuer that could limit the ability of such personnel to buy or sell securities of the issuer on behalf of client accounts (see the Prevention of Insider Trading section).

Transactions undertaken by the Adviser's clients may also adversely impact one or more client accounts. Other clients of the Adviser may have, because of receiving reports or otherwise, access to information regarding the Adviser's transactions or views that may affect their transactions outside of accounts controlled by the Adviser, and such transactions may negatively impact other clients' accounts. A client's account may also be adversely affected by cash flows and market movements arising from purchase and sale transactions by, as well as increases of capital in and withdrawals of capital from other clients' accounts. These effects can be more pronounced in less liquid markets.

The investment activities of a client's account may differ significantly from the results achieved by the Adviser's related persons and from the results achieved by the Adviser for other client accounts.

As more fully described above, the Adviser has adopted a Code of Ethics. Such Code of Ethics and the Adviser's policies and procedures restrict the ability of certain officers and employees of the Adviser from engaging in securities transactions in any securities that its clients have purchased, sold, or considered for purchase or sale, for an appropriate "blackout" period. The Adviser's procedures and Code of Ethics include other restrictions and reporting requirements to minimize or eliminate conflicts of interest.

### **Trading Alongside by Adviser and its Personnel**

Client accounts managed by the Adviser may trade in the same or similar securities at or about the same time as accounts managed or advised by affiliates of the Adviser. Investments by Adviser's affiliates and their clients may have the effect of diluting or otherwise disadvantaging the values, prices, or investment strategies of a client's account, particularly in small capitalization, emerging market, or less liquid strategies. This may occur when portfolio decisions regarding a client's account are based on research or other information that is also used to support portfolio decisions for Adviser's affiliates. If a portfolio decision or strategy for Adviser's affiliates' accounts or the accounts of clients of affiliates is implemented ahead of, or contemporaneously with, similar portfolio decisions or strategies for the Adviser's client's account, market impact, liquidity constraints, or other factors could result in the account receiving less favorable trading results and the costs of implementing such portfolio decisions or strategies could be increased.

## **Errors**

Errors may occur from time to time in transactions for client accounts. The Adviser will typically correct any such errors that are the fault of the Adviser or an affiliate at no cost to the client other than costs that the Adviser deems immaterial. To the extent that the subsequent sale of such securities generates a profit to the Adviser, the Adviser may retain such profits, and may, but is not required to, use such profits to offset errors in the future or pay other client-related expenses. The Adviser will not be responsible for any errors that are not the fault of the Adviser or any affiliate.

## **Privacy Policy**

Adviser considers your privacy our utmost concern. Adviser does not share information of clients with non-affiliated third parties, except such information may be disclosed to process a transaction an investor has requested, to the extent the investor specifically authorized the disclosure, to service providers or joint marketers who agree to limit their use of such information, and to the extent required or expressly permitted by law or reasonably necessary to prevent fraud, unauthorized transactions, or liability.

When Adviser discloses non-public personal information of clients to a non-affiliated third party that provides services to Adviser or engages in joint marketing, Adviser shall:

- notify investors of the possibility of such disclosure; and
- enter into a contractual agreement with the third party that prohibits the third party from disclosing or using the investors' information other than to carry out the purposes for which the information was disclosed to the third party.

In particular, the Adviser may enter, in compliance with the above conditions, into an agreement with a non-affiliated third party to store the records of Adviser clients and investors, including electronic and e-mail records.

For more information about the Adviser's privacy policies or to request a brochure describing the Adviser's privacy policies, contact Adviser at (786)238-7925.

## **Client Referrals and Other Compensation**

In the event a client is introduced to Davivienda Advisors by either an unaffiliated or an affiliated promoter, the Adviser may pay that promoter a referral fee in accordance with applicable state securities laws and in full compliance with requirements of Rule 206(4)-1 under the Advisers Act. Unless otherwise disclosed, any such referral fee is paid solely from Davivienda Advisors' investment management fee and does not result in any additional charge to the client.

If an arrangement is established with a promoter, the Adviser will maintain a written agreement with the promoter, except where the promoter is an affiliate of the Adviser or the promoter receives de minimis compensation (i.e., \$1,000, or less, or the equivalent value in non-cash compensation, during the preceding 12 months). The arrangement will outline the nature of the relationship between the promoter and the Adviser and any fees to be paid to the promoter. The Adviser will

ensure each prospective client receives a copy of the Adviser's Form ADV Part 2 and a disclosure document, where applicable, outlining any conflicts of interest. Cash payments to the promoter corresponding to referral fees will be structured to comply fully with the requirements of Rule 206(4)-1 under the Advisers Act.

### **Financial Information**

Adviser does not require or solicit the prepayment of any advisory fees and does not have any adverse financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients continuously.

### **Brokerage Practices**

Davivienda Advisors has established an indirect relationship with Interactive Brokers to render its advisory services to clients via the specified BCP Global platform and related pricing for its clients. To establish an advisory relationship with Davivienda Advisors, you must also establish a brokerage/custody arrangement with Interactive Brokers, separate and unaffiliated entities. Interactive Brokers acts as an introducing broker-dealer for our sub-advisor, BCP Global, in effecting securities transactions for clients' accounts in which Interactive Brokers provides trade execution and clearing services.

Interactive Brokers seeks the best overall execution of transactions for client accounts. "Best execution" means the best overall qualitative execution, not necessarily the lowest possible commission cost. Davivienda Advisors has considered several factors before selecting BCP Global as its sub-advisor and Interactive Brokers as the broker-dealer and custodian for its clients. These factors include execution capability and available liquidity; timing and size of orders; commission rates; responsiveness; trading experience; reputation, integrity, and fairness.

in resolving disputes, quality of their application programming interfaces and technology, and other factors.

Davivienda Advisors does not engage in any "soft dollar" practices involving the receipt of research or other brokerage service in relation to client commission money, nor do we receive any research or other products in connection with client transactions. In the interest of better trade execution, BCP Global may, but is not required to, aggregate orders for a client's account with orders from other clients. BCP Global may aggregate securities sale and purchase orders for a client with similar orders being made contemporaneously for other client accounts. In such an event, the average price of the securities purchased or sold in such a transaction may be determined, and a client may be charged or credited the average transaction price. As a result, however, the price may be less favorable to the client than it would be if similar transactions were not being executed concurrently for other accounts.

### **Custody**

Davivienda Advisors does not maintain custody of any client funds or securities. Through its relationship with BCP Global, the Adviser provides instructions to Interactive Brokers regarding the investment of the client's assets. Each client will receive account information, including trade

confirmations and monthly account statements, directly from Interactive Brokers or by logging into their Davivienda Advisors online account at BCP Global or mobile platforms. Each client should carefully review the information provided by Interactive Brokers and compare it with the information provided by Davivienda Advisors when evaluating account performance, securities holdings, and transactions. While Davivienda Advisors, through BCP Global, reconciles trading information on a regular basis and provides account information to clients via its online platform, a client may experience differences in the information due to pending transactions, dividends, corporate actions, cash movements or withdrawals, or other activity. Only trading confirmations and statements issued by Interactive Brokers (or other custodians) represent the official records of a client's account.

### **Investment Discretion**

The Adviser receives discretionary authority from each client at the outset of an advisory relationship to select the identity and amount or quantity of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the agreed-upon guidelines for the selected portfolio.

When selecting securities and determining amounts, Adviser observes the investment guidelines for the selected model portfolio because of its alignment with the goals, limitations, and restrictions, that is, the investor profile of the client to which it advises.

### **Business Continuity Plan**

Davivienda Advisors has a Business Continuity Plan that provides detailed steps to mitigate and recover from the loss of office space, communications, services, or key persons. The Business Continuity Plan covers natural disasters such as storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident, and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients promptly after a disaster that dictates moving our office to an alternate location.

### **Privacy and Information Security**

Davivienda Advisors maintains an information security program to reduce the risk that your personal and confidential information may be breached. Furthermore, Davivienda Advisors is committed to maintaining the confidentiality, integrity, and security of the personal information that is entrusted to us.

The categories of nonpublic information and we collect from you may include information about your personal finances, transactions, and consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals. We maintain a secure office to ensure your information is not at unreasonable risk. We employ a firewall barrier and use other

techniques and authentication procedures in our computer environment. We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial services companies, consultants, and auditors. Federal and state securities regulators may review our and your personal records as permitted by law. Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter, that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed. We will notify you in advance if our privacy policy is expected to change.