



**ITEM 1: BTG PACTUAL ASSET MANAGEMENT US, LLC**

**WRAP FEE PROGRAM BROCHURE**

**APPENDIX 1 TO**

**BTG PACTUAL ASSET MANAGEMENT US, LLC FORM ADV PART 2A**

**BTG Pactual Asset Management US, LLC  
601 Lexington Avenue, 57th Floor  
New York NY 10022**

**Portfolio Advisor Program (PAP)**

**Unified Managed Account Program (UMA)**

**March 28, 2024**

<https://www.btgpactual.com/>

*This wrap fee brochure provides information about the qualifications and business practices of **BTG Pactual Asset Management US, LLC** ("BTG Pactual AM US," "BTG", the "Firm" or "we"). If you have any questions about the contents of this brochure, please contact us at 212-293-4600. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. BTG may refer to itself as a "registered investment adviser" or "RIA". You should be aware that registration with the SEC or a state securities authority does not imply a certain level of skill or training. Additional information about BTG is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this website by a unique identifying number, known as a CRD number. BTG's CRD number is 152538.*

**ITEM 2: MATERIAL CHANGES**

This is the Wrap Fee Program Brochure (the “Wrap Fee Brochure”) for the following Programs: the Portfolio Advisor Program (“PAP”) and Unified Managed Account Program (“UMA”) (each a “Program”) of BTG Pactual AM US. In the future, this Item 2 will identify and discuss material changes to the Programs since this initial filing or the most recent annual Wrap Fee Brochure update.

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## ITEM 4: SERVICES, FEES AND COMPENSATION

### Background

This Wrap Fee Brochure describes the BTG Pactual AM US Programs that BTG Pactual AM US makes available to clients of the Firm. BTG Pactual AM US is a Delaware Limited Liability Company formed in 2011, which succeeded BTG Pactual US Asset Management Corp. founded in 2008. BTG Pactual AM US is an investment adviser registered with the U.S. Securities and Exchange Commission and is a wholly owned subsidiary of Banco BTG Pactual S.A. (“Banco BTGP”), a Brazilian investment bank. Banco BTGP, BTG Pactual AM US and their respective affiliates, directors, partners, trustees, managers, members, officers and employees are referred to collectively as “BTG Pactual.” BTG Pactual AM US’s investment advisory business primarily consists of the following activities: (i) acting as an adviser and sub-adviser to private funds; (ii) acting as an adviser to managed accounts on both a discretionary and non-discretionary basis; (iii) providing customized investment advisory solutions to clients who grant BTG AM US with power of attorney to access their account data and advise on asset allocation, security selection and risk management; and (iv) sponsoring wrap fee programs. BTG Pactual AM US also provides generic and bespoke research products and services to its clients.

The Programs are investment advisory programs sponsored by BTG Pactual AM US. The Programs are provided through different specialized services described below. Investment activities focus on investments in various kinds of assets and securities in a variety of markets that are intended to fit within a client’s objectives, strategies and risk profile as described by each client.

Prior to BTG Pactual AM US rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with BTG Pactual AM US setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

While this brochure generally describes the business of BTG Pactual AM US, certain sections also discuss the activities of its “Supervised Persons,” which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on BTG Pactual AM US’s behalf and is subject to BTG Pactual AM US’s supervision or control.

In this Brochure, the term “Advisor” refers to a client’s discretionary investment adviser or implementation manager, which for certain Programs may be Supervised Persons of BTG Pactual AM US, or in certain Programs, the overlay manager (e.g., the UMA Overlay Manager (as defined below)). The term “Fund” refers to a mutual fund and/or exchange-traded fund (ETF).

### Overview of the Services Provided under the Program

Through the Programs, BTG Pactual AM US provides discretionary and non-discretionary investment advisory services to its clients across a broad range of asset classes and investments. Clients investing through a Program pay a “wrap” fee for such services offered by a “Manager.” Such Manager can be either BTG Pactual AM US or a manager that is unaffiliated with BTG Pactual AM US (i.e., investment advisers that BTG Pactual AM US does not control) (“Unaffiliated Manager”). The wrap fee, as described in more detail below, covers the compensation of BTG Pactual AM US, as sponsor of the Programs, as well as the services of BTG Pactual AM

US as the Manager, and also generally covers the cost of brokerage execution through BTG Pactual US Capital LLC (“BTG Broker-Dealer”), custody at Pershing LLC (“Pershing”), reporting and other administrative services, except as otherwise disclosed by BTG Pactual AM US here or elsewhere. For any Portfolio Manager-investment management services offered by an Unaffiliated Manager, a separate fee is charged to the Client. For example, Clients investing in the UMA Program will pay two fees. There is one fee to cover the asset-based wrap fee to BTG Pactual AM US and another fee that covers charges for Portfolio Manager-investment services to the Unaffiliated Manager.

As a client of BTG Pactual AM US, you also have the option of investing through a commission or transaction-based account, which may be more appropriate than investing through a Program if you do not want ongoing investment advice or management of your account, but instead desire only periodic or on-demand recommendations. A commission-based account may result in lower costs for you if you trade on an infrequent or occasional basis. You may wish to review and consider these factors when deciding whether or not to make an investment in any of the Programs. If you decide to make an investment in any Program and cost is a consideration in your decision to invest, then you should check your account statements regularly to review the level of trading, and periodically talk to your Manager about the level of trading in your account and the fees involved to determine if an investment in any Program makes sense for you. For some investors in the Programs, costs may not be a consideration for their decision to invest as their main consideration is having access to the Managers available in the Programs.

To enroll into any of the Programs, clients complete an investor profile describing their individual investment objectives, liquidity and cash flow needs, time horizon and risk tolerance, as well as any other factors pertinent to their specific financial situations. After an analysis of the relevant information, the Advisor assists clients in developing an appropriate strategy for managing their assets. The client must also enter into an Advisory Agreement with BTG Pactual AM US. The Advisory Agreement governs the terms of existing investment advisory accounts and client relationships with BTG Pactual AM US.

## **The Programs:**

### **1. Portfolio Advisor Program (PAP)**

PAP is intended for investors who seek to establish strategic investment goals and receive ongoing investment advice but wish to retain ultimate decision-making authority over the trading activity in their account. PAP is not intended for clients who envision maintaining consistent high levels of cash, money market mutual funds, or other short-term securities. Clients with a high level of trading activity may elect to participate in PAP even though their trading activity is not consistent with the Program.

BTG Pactual AM US provides recommendations and research regarding the investment of securities and cash in a client’s account. These services are individually tailored to each client’s needs and in line with the client’s risk score, as per the client’s investor profile. Because PAP accounts are advised on a non-discretionary basis, the client’s Advisor will only effect transactions for the PAP account after receipt of client approval to effect such transactions.

BTG Pactual AM US will contact the client periodically to review the PAP account and to assist the client in ensuring that the account remains consistent with the client's risk score and within appropriate asset allocation parameters. The client retains final decision-making authority and responsibility for the selection of, and any changes to, the investment objective, risk tolerance, the target and/or actual asset allocation, and the particular securities and other assets held in the account.

BTG Pactual AM US generally permits clients to place unsolicited orders for the purchase and/or sale of securities in PAP accounts, subject to any limits, restrictions and/or conditions BTG Pactual AM US may choose to enforce on such orders and BTG Pactual AM US may, in its sole discretion, decline to accept or effect such an order in a PAP account at any time, with or without prior notice to the client. Additionally, PAP accounts are restricted from trading structured notes.

## **2. Unified Managed Account Program (UMA)**

In UMA, clients appoint BNY Mellon Advisors, Inc. (CRD# 106108/SEC# 801-52378) (the "UMA Overlay Manager"), an unaffiliated portfolio manager, to manage client accounts on a discretionary basis. Clients can allocate UMA account assets to available model portfolios that are provided to the UMA Overlay Manager by affiliated or unaffiliated model portfolio providers for the UMA Overlay Manager's use in managing the account and/or to available investment strategies ("Joint Discretion Strategies") that are managed jointly by the UMA Overlay Manager and affiliated and unaffiliated investment advisers ("Joint Discretion Managers"). In addition, clients can also choose to allocate account assets to specific securities made available through UMA, which are typically Funds, but from time to time also may include other types of securities. The discretionary management of client assets by the UMA Overlay Manager and any Joint Discretion Managers and the investment of assets in specific securities selected by the client take place in a single, unified BTG Broker-Dealer account.

Besides BNY Mellon Advisors, Inc., BTG Pactual AM US may appoint other unaffiliated portfolio managers under UMA in the future.

Clients determine how to invest through UMA after consulting with a BTG Advisor. In connection with opening a UMA account, clients will answer a series of questions relating to the client's investment objective(s), goals, time horizon and risk tolerance, which will identify the risk profile for the account. The risk profile will dictate a target asset allocation for the account. The Advisor will typically work with and assist the client in developing the target allocation. The client may deviate from the recommended asset class weightings for the selected risk profile, but can only deviate to the next, more conservative risk profile (e.g., the target allocation selected for an account with a balance risk profile can select the target allocation for the conservative risk profile).

BTG Pactual AM US determines which UMA Overlay Manager and model portfolios are available through BNY Mellon Advisors, Inc., and reviews the UMA Overlay Manager and model portfolios on a periodic basis to determine whether they will continue to meet the investment needs of UMA clients. Accordingly, from time to time, BTG Pactual AM US may change the UMA Overlay Manager and/or add and remove specific model portfolios to and from UMA, as further described below.

The UMA Overlay Manager has the authority to remove an unaffiliated portfolio manager from the UMA without BTG Pactual AM US's and/or the UMA client's permission.

BTG Pactual AM US will provide the UMA clients with BNY Mellon Advisors, Inc.'s current Form ADV Part 3 Form CRS and Form ADV Part 2A – Managed360 Program at or before account opening.

Even though BTG Pactual AM US will identify and recommend to the client suitable model portfolios, the client is responsible for the ultimate selection of the model portfolios and/or securities for their account(s), as well as the target allocation and the target portfolio.

**The following disclosures are for all Programs, as applicable:**

***Tax Consequences***

When client elections result in the sale of securities, when accounts are funded with securities, or when funds are removed or replaced in a client portfolio, clients may incur redemption charges and taxable gains or losses. Clients should consult their own tax advisors when making these decisions. BTG Pactual AM US and its affiliates do not provide tax advice.

***Funding***

Clients can fund their accounts by depositing cash and/or securities acceptable to BTG Broker-Dealer. BTG Pactual AM US may determine in its sole discretion that certain securities are ineligible for the Programs. If BTG Pactual AM US or the Advisor is not able to sell the assets or determines not to sell the ineligible asset, BTG Pactual AM US has the right to transfer the asset to a securities brokerage account.

Clients funding Program accounts with securities direct BTG Pactual AM US or the Advisor, as applicable, to liquidate the securities on behalf of the client and allocate the proceeds in accordance with the applicable investment strategy. BTG Pactual AM US or the Advisor, on a best-efforts basis, will sell a portion or all of any securities that are not consistent with the applicable investment strategy. Neither BTG Pactual AM US nor any Advisor will advise the client regarding the liquidation of these securities. Liquidation will be done free of commission charges or spread on fixed income trades unless the trade is placed away from BTG Broker-Dealer. Pershing LLC clears all U.S. securities transactions for BTG Broker-Dealer. BTG Broker-Dealer may use other clearing broker-dealer firms besides Pershing LLC in the near future.

Depending on the type of security involved, liquidation may result in redemption charges and taxable gains or losses. Before contributing mutual fund shares, clients should consider if they paid a front-end sales charge, will incur a contingent deferred sales charge or a redemption fee in the event the mutual fund shares are liquidated in accordance with the investment strategy selected. These mutual fund fees and charges are the responsibility of the client and are in addition to the wrap fee. Clients should review the potential tax consequences of these liquidations with their tax advisor before funding their Program account with securities. BTG Pactual AM US and its affiliates do not provide tax advice. If non-U.S. denominated securities are sold, the client will incur currency conversion charges.

### ***Manager Selection***

Based upon information provided by the client, BTG Pactual AM US selects, or recommends that the client select, one or more Managers in the Programs to manage the client's assets in an account established for this purpose. Where a client authorizes BTG Pactual AM US, the client's Advisor may select, appoint and remove Managers and may allocate and reallocate assets in the client's Program accounts without the client's prior approval or consent.

With the exception of the PAP, the Manager has full decision-making authority over investments and transactions, subject to any reasonable restrictions imposed by a client, the investment style that the client has selected, and any applicable guidelines. The Manager may accept, or withdraw from the management of, a client's account based on the nature of the proposed restrictions or for any other reason. Restrictions regarding industry groups are determined by reference to an independent source, such as industry classifications in a well-recognized index, or by the Manager. Clients should be aware that the performance of Program accounts with restrictions will differ from, and may be lower than, the performance of Program accounts without restrictions. The Manager may, in its discretion, hold the amount that would have been invested in the restricted security in cash, invest in substitute securities or invest it across the other securities in the strategy that are not restricted.

### ***Execution Services***

Each Manager has the sole discretion to select broker-dealers, including BTG Broker-Dealer (BTG Pactual AM US's affiliate broker-dealer), to execute trades for Program accounts. The Manager is responsible for seeking to execute client trades in a manner consistent with its obligation to seek best execution, and clients are encouraged to review the selected Manager's Form ADV brochure concerning its brokerage practices. Generally, the Manager selects BTG Broker-Dealer to execute most equity trades. This is because the "wrap" fee paid by each client, as described under "Fees for the Program" below, covers all Program fees on all agency trades effected through BTG Broker-Dealer. When executing trades for Program accounts, BTG Broker-Dealer is acting exclusively as a broker-dealer in connection with such trades, and only executes trades for Program accounts upon a Manager's instruction. Transactions in Program accounts will generally produce increased trading flow for BTG Broker-Dealer. To the extent permitted by applicable law, BTG Broker-Dealer may act as principal in executing trades for each client's account, or as agent, while BTG Broker-Dealer also represents another client on the other side of the trade (an "agency cross trade"). In the event where the Manager selects BTG Broker-Dealer for trade execution, Pershing LLC will serve as the clearing broker for the trade. Please note that BTG Broker-Dealer may use other clearing broker-dealer firms besides Pershing LLC in the near future.

If a Manager selects a broker-dealer other than BTG Broker-Dealer to execute trades for a Program account, the client will (in most cases) pay additional execution charges for trades executed by that third-party broker-dealer, and any such execution charges will be in addition to the Program fee. For more information about the Program fee, please refer to Item 4, "Fees for the Program" below.

Please refer to each Manager's Form ADV brochure for information about its advisory business.



### ***Custody and Administrative Services***

BTG does not maintain custody of clients' funds and/or securities held in a Program. A client's assets will be maintained with a clearing broker-dealer retained by the Firm, Pershing, and/or other qualified custodians that serve as custodians of the funds and/or securities of the clients (the "Custodian"). However, the Firm may be deemed to have custody of a client's assets to the extent the client authorizes the Firm to instruct the client's Custodian to deduct the Firm's advisory fees directly from the client's account or to instruct the client's Custodian to disburse or transfer funds or securities from the client's account.

Unless instructed otherwise, each Manager will be responsible for voting proxies and corporate actions associated with securities held in the Program accounts in accordance with the Manager's proxy voting policy. Clients who elect not to custody assets with Pershing or another firm utilized by BTG Broker-Dealer to provide clearing services are encouraged to contact their third-party custodians to ensure that they, or their selected Manager, receive such materials directly from their custodians.

Neither the Firm nor an Unaffiliated Manager will render any advice or take any action with respect to the specific securities or other property held in the Program account or, in some cases, the issuers thereof, that become the subject of any legal proceedings, including bankruptcies or class actions.

### ***Cash Sweep Services***

Clients in the Program authorize BTG Pactual AM US, to the extent permitted by applicable law, to automatically invest (i.e., sweep) available cash balances in one or more money market mutual funds that are available in Pershing's sweep platform program. This is typically done on a daily basis, or at such other interval as determined by the Firm. Clients whose cash is swept to money market funds receive the prospectus for the applicable fund. Clients who elect not to sweep cash may earn less than clients who elect to sweep or may earn nothing on their free credit balances. BTG Pactual AM US receives a rebate fee from Pershing of the cash portion of a Program account that is not invested in a money market mutual fund. This rebate fee received may vary based on market conditions. Currently this rebate fee that BTG Pactual AM US receives from Pershing is 0.50% of the cash portion of a Program account that is not invested in a money market mutual fund.

Clients should check their account statements for the applicable interest rate. The interest yield on the default money market fund may be higher or lower than yields on other available cash alternatives (e.g., money market mutual funds). Because the Fee (as defined below) is typically charged on the value of all assets in the account (including cash and cash alternatives), in a low interest rate environment, the net investment return on cash and cash alternatives, including the money market fund, may be negative.

### **Fees for the Program**

#### ***Client Fee***

The Programs are known as "wrap fee" investment advisory programs because clients pay BTG Pactual AM US an asset-based fee for the various services BTG Pactual AM US and the Advisors provide in the Programs. This fee covers BTG Pactual AM US investment advisory services, trade execution, clearing and settlement, custody, reporting and other administrative services, and (where applicable) portfolio management and/or rebalancing

services. Unless otherwise disclosed, a separate fee is charged for any Portfolio Manager-investment management services and any model portfolio provider's provision of model portfolios. BTG Pactual AM US offers other advisory services, including but not limited to customized investment advisory solutions to Clients. These services are outside of the PAP and UMA Programs. Specifically in the UMA, the Client would pay a fee to the unaffiliated portfolio manager and a fee to BTG Pactual AM US. These separate fees (i.e., the asset-based wrap fee to BTG Pactual AM US and the fee charged for any Portfolio Manager (as defined herein) or model portfolio provider services) are referred to collectively as the "Fee" and will appear either together as a single fee or as separate fees on account statements and other communications.

There are certain instances in which the Advisory Client will pay fees outside of the "wrap fee". For example, the Advisory Client would pay a fee outside of the "wrap fee" in connection with a UCITS ETF stamp duty imposed by the applicable Stock Exchange where the ETF is traded.

From time to time, Fees can be increased or decreased (that is, BTG Pactual AM US may increase any fees to PAP or UMA programs). BTG Pactual AM US will notify the client whenever a fee increase is to be made to the client's Program account(s). Notwithstanding the foregoing, the maximum annual rate for the BTG Pactual AM US component of the Fee is 2.00% of the net market value of the assets in the account for all Programs. We will (in most cases) charge fees on cash held as free credit balances.

### ***Calculation and Deduction of Fees***

The Fee paid by clients for Program accounts is charged monthly based on the net market value of Program account assets (including all cash and cash alternatives such as money market mutual funds) on the last business day of each calendar month. Such Fee may be paid quarterly or monthly, in advance or in arrears, as agreed on with the client and is typically automatically deducted from the account. BTG Pactual AM US also may agree in certain instances to calculate the Fee on a basis other than a percentage of the net market value of the assets in the Program account (e.g., calculating the Fee on a cents-per-share-deposited-into-the account basis).

For clients whose Advisory Agreements are terminated prior to the end of the period, any Fee paid in advance will be refunded only if agreed to by the parties. Where Pershing acts as custodian, the Fee is generally deducted from the client's Program account. In the case of Program Accounts held at a third-party custodian, clients generally direct their custodian to have their fees and expenses debited from the account for credit to BTG Pactual AM US.

A portion of clients' Program account assets may be liquidated to cover the Fee at any time. Liquidation may affect the relative balance of the account, and also may have tax consequences and/or may cause the account to be assessed transaction charges. Clients should consult with their tax advisor before enrolling in the Program to understand how such liquidation may result in tax consequences in specific circumstance.

For UMA clients, in the event that BNY Mellon Advisors, Inc. rebates to a client all or a portion of the fees charged by BTG Pactual AM US to a client (e.g., in connection with a mid-quarter client account termination), BTG Pactual AM US shall promptly return to BNY Mellon Advisors, Inc. an amount equal to the amount rebated.

***Negotiability of Fee***

In its discretion, and subject to the maximum Fee described above, BTG Pactual AM US may negotiate, reduce, rebate or waive the BTG Pactual AM US wrap fee component of the Fee for any client or group of clients. BTG Pactual AM may negotiate the amount and calculation of the Fee based on a number of factors, including the type and size of the account, anticipated level of trading activity, services provided to the account, historical factors and/or the scope of the client's relationship with BTG Pactual, subject to certain internal guidelines.

***Costs in Addition to the Fee***

The Fee does not cover commissions or other charges resulting from transactions not executed through Pershing, BTG Broker-Dealer or its affiliates, or clearing, settlement and custody services provided by a custodian other than BTG Broker-Dealer. When trade clearing and settlement services are provided by another executing broker-dealer or custodian, they are not included in the Fee, and the other broker-dealer and/or custodian are entirely responsible for the execution, clearing and/or settlement of the transaction and/or custody of the client's account assets.

In addition, the Fee does not cover "mark-ups," "mark-downs," or "dealer spreads" charged by dealers unaffiliated with BTG Broker-Dealer when BTG Broker-Dealer or its affiliates, acting as agent for the client in any Program, effects a transaction with an unaffiliated dealer acting as principal (i.e., for the dealer's own account), typically in connection with certain fixed income and over-the-counter securities that are traded primarily in "dealer" markets. Such "mark-ups" on securities bought by the client, "mark-downs" on securities sold by the client and "dealer spreads" (the difference between the bid price and offer price) are generally incorporated into the net price that the client pays or receives in the transaction. Similarly, the Fee does not cover "dealer spreads" that BTG Broker-Dealer or its affiliates or other broker-dealers may receive when acting as principal in certain transactions. However, BTG Broker-Dealer and its affiliates will not charge, and the net price paid or received by the client will not incorporate, any "mark-up" or "mark-down" in connection with such principal transaction.

The Fee also does not cover certain costs or charges that may be imposed by BTG Broker-Dealer (or its affiliates) or third parties, including costs associated with using margin, exchanging foreign currencies, borrowing fees on short sales, odd-lot differentials, activity assessment fees, transfer fees, transfer taxes, exchange fees, wire transfer fees, postage fees, auction fees, certain structured products, foreign clearing and settlement fees and expenses associated with ADRs, Global Depositary Receipts (GDRs), World Equity Benchmark Shares (WEBS), exchange-traded notes (ETNs), real estate investment trusts (REITs), closed-end investment companies that invest a substantial portion of their assets in the securities of specified foreign countries (closed-end country funds), and with converting non-U.S. securities into ADRs or GDRs, if applicable, and other fees or taxes required by law.

Clients will pay the public offering price for any securities purchased from an underwriter or dealer involved in a distribution. If BTG Pactual is a member of the underwriting syndicate from which a security is purchased, BTG Pactual may, directly or indirectly, benefit from such purchase.

### ***Mutual Funds/Pooled Investment Fees***

Clients may incur indirect fees and expenses for investments in mutual funds (including money market funds), ETFs, closed-end funds, and other pooled investment vehicles. Such fees and expense may represent investment advisory, administration, transfer agency, distribution, shareholder service and other fund-level expenses that are initially paid by the Funds but ultimately are borne by the client as a Fund shareholder. The Fee will not be reduced by any of these fund-level fees unless required by law.

BTG Pactual AM US will seek to invest in the Fund share class with the lowest fees and expenses that a client is eligible to invest, however, this may be higher than one or more other share classes of the same Fund that the client is not eligible to invest in. Furthermore, client assets may be invested in Funds managed by affiliates of BTG AM US and the affiliate may receive compensation in connection with its management of the Fund. BTG Pactual AM US and its affiliates may also be eligible to receive distribution fees from certain mutual funds in connection with a client account's investment in certain share classes of such mutual funds ("12b-1 fees"). The possibility of the payment of 12b-1 fees to the Advisor or its affiliates presents a conflict of interest between the Advisor and its client. However, to minimize the conflict of interest that may otherwise exist with respect to the selection of such mutual funds, the Advisor's policy requires it to select non-12b-1 fee paying share classes when available. In situations where the only share classes available of a selected mutual fund are share classes that pay 12b-1 fees, the Advisor will cause the client to invest in the share class that pays the lowest 12b-1 fees and only if it is in the best interest of client to invest in such mutual fund.

### ***General Fee and Compensation Issues***

In valuing assets in Program accounts, BTG Pactual AM US uses information provided by recognized independent quotation and valuation services or will rely on information it receives from other third parties, if applicable. BTG Pactual AM US believes this information to be reliable but does not verify the accuracy of the information provided by these sources.

Because the Fee is typically charged on all assets in the account, generally whenever short-term interest rates are lower than the Fee, a client may earn less on assets held in the account as cash or cash alternatives such as money market funds than the amount of the Fee the client is paying BTG Pactual AM US with respect to such assets, and therefore the client's net yield with respect to such assets may be negative.

In effecting transactions for client assets in a Program, BTG Broker-Dealer or its affiliates will be acting exclusively as a broker-dealer and trades will be handled by BTG Broker-Dealer consistent with its best execution and other regulatory obligations under applicable law.

### ***Obtaining Services Separately***

BTG believes that the Fee is reasonable based on the quality and scope of services that it offers through the Programs and the fees that are charged by other investment advisers offering comparable services or programs. Clients should be aware, however, that they will, in most cases, be able to obtain some or all of the services offered through the Programs separately from BTG Pactual AM US or from other firms, and the cost of obtaining the services separately may be more or less than the Fee. A client may also be able to invest

directly in Funds, ETFs or stocks without an investment adviser's services, which include determining which investments are appropriate, which are, among other things, offered through the Programs. Factors that bear on the cost of the Programs in relation to the cost of the same services purchased separately include the range of investment strategies and Managers selected, anticipated trading activity and the range of custodial, reporting and other ancillary services that are available as well as the fees carved out from the Fee. Clients should also understand that, in some cases, the combination of the Program services may not be available separately and certain Managers might not be willing or able to provide their services or particular investment strategies outside of the Programs because of minimum account sizes or other factors. Clients should carefully review all fees, including those not included in the Fee, as discussed above, that may be charged through the Programs, and assess the benefits of enrolling in any Program before making the decision to make an investment through such Program.

### ***Compensation for Recommending the Wrap Fee Program***

BTG Pactual AM US advisor(s) and BTG Pactual receive compensation in connection with a client's participation in the Programs. The amount of this compensation may differ from the compensation that might have been received by the BTG Pactual AM US advisor(s) and BTG Pactual if the client had instead participated in another advisory program offered by BTG Pactual AM US or paid separately for the investment advice, brokerage and other services available through the Programs. The amount of the compensation received also may vary based on the selection of a Manager, asset class or any investment strategy. BTG Pactual AM US will generally benefit from the selection of itself as Manager, as the amount of compensation received from a Program account advised by it may be more or less than the compensation received from a traditional separate advisory account (that is, an advisory account with an advisory fee that does not include execution charges, custodial and other fees) also advised by BTG Pactual AM US. BTG Pactual AM US has implemented procedures to review Client accounts with limited or no activity to assess whether or not the Client should remain in the Wrap Fee Program.

Under the UMA Program, in addition to the fees paid to the Unaffiliated Manager by the client, a fee will also be paid BTG Pactual AM US.

BTG Pactual AM US Advisor(s) and BTG Pactual also may recommend or select certain Unaffiliated Managers based on the nature of the compensation arrangement with each Unaffiliated Manager. These arrangements may include fee break points that the Firm has negotiated with the Unaffiliated Manager that reduce the fee paid to such managers (and correspondingly increase the portion of the fee retained by BTG Pactual AM US) as assets managed by a particular Unaffiliated Manager in the Program(s) increase. Any such differentials in compensation may create a financial incentive on the part of the Firm's advisors to recommend or, if applicable, select one advisory program, Manager, asset class or investment strategy over another. BTG Pactual AM US's (or another Manager's) discretionary actions may result in a client paying a higher aggregate fee for the Programs. For Clients in the UMA Program, the Client would be responsible for selecting the model portfolio.

In addition to the disclosures contained in this Wrap Fee Brochure, these and other potential conflicts of interest may be disclosed in the BTG Pactual AM US Form ADV Firm Brochure and other disclosure documents provided to clients from time to time and in the Advisory Agreement.

### Third Party Wrap Fee Program

In addition to and separate from the Program sponsored by BTG Pactual AM US, we may recommend participation in certain third-party wrap fee programs (“Third Party Wrap Fee Programs”) sponsored by third-party investment advisers or other firms (each, a “Third-Party Sponsor”) to clients following consultation with such clients about, among other things, these program(s) and investment choices suited to its clients’ needs and profiles. These Third Party Wrap Fee Programs are separate from the BTG Pactual-sponsored Programs otherwise discussed in this Wrap Fee Brochure, and clients may choose to pursue both the Programs and these Third Party Wrap Fee Programs. For more information about and disclosures relating to the Third Party Wrap Fee Programs offered by BTG, please also refer to BTG Pactual AM US’s Firm Brochure, Form ADV Part 2A, Item 4.

## **ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

### Types of Clients

BTG Pactual AM US provides investment advisory services to various types of clients, including private funds organized as limited partnerships, limited liability companies, or other legal entities, in which investors are accredited investors or qualified purchasers. These private funds are not registered under federal securities laws and typically utilize sophisticated investment strategies and proprietary investment models.

In addition, BTG Pactual AM US provides investment advisory services to institutional clients on an individually managed account basis. The Firm’s managed accounts may include pension funds, insurance companies, banks, foundations, endowments, trusts, estates, family offices, high-net worth individuals, proprietary accounts, BTG Pactual AM US affiliates and other institutions. Investors in collective investment vehicles primarily include US and non-US individuals, estates, charitable organizations, banks and corporations. Discretionary programs are not typically intended for investors who seek to maintain control over trading in their accounts, who have a short-term investment horizon (or expect ongoing and significant withdrawals), or who expect to maintain consistently high levels of cash or money market funds.

BTG Pactual AM US requires that all clients who wish to open and maintain an account in the Programs enter into the applicable BTG Pactual AM US investment Advisory Agreement, which sets forth the services that BTG Pactual AM US will provide to the client. The specific terms and conditions of the Advisory Agreement will govern the handling of the client’s Program account(s) and the investment advisory relationship between the client and BTG Pactual AM US and, as applicable, other parties to the agreement with respect to the account(s). A separate account is required for each strategy selected by the client, even if they are managed by the same Advisor.

The risk score identified by the client for an account in the Portfolio Advisor Program (PAP) will apply to such account while in the Program (unless the client subsequently changes the investment objective or risk tolerance by promptly notifying the client’s Advisor(s)), notwithstanding any different investment objective or risk tolerance previously identified by the client for the account when it was a brokerage account or an account in one of the other Programs. If the account is terminated and becomes a brokerage account outside the Programs,

the investment objective previously identified by the client for the account as a brokerage account will again apply to the account.

### Account Minimums

Certain Programs require the client to maintain a minimum amount of assets for opening an account in that Program. BTG Pactual AM US may, in its discretion, waive or reduce the minimum account opening size for certain clients or accounts. If a Program account falls below the Program minimum, BTG Pactual AM US can terminate the Program account at its discretion. The minimum account size typically required in the Programs are as follows:

Portfolio Advisor Program: \$1,000,000

Unified Managed Account Program: minimum depends on the strategy and UMA Overlay Manager requirement.

### Acceptance of Accounts

BTG Pactual AM US may decline to accept a particular client or account to a particular Program at any time and for any reason at its sole discretion.

### Liquidation and Funding

Clients may open an account for purposes of participating in the Programs with cash, marketable securities or a combination of both. When initially funding a Program account with securities, a client should bear in mind that the selected Manager may decide to sell all or a substantial portion of the client's existing portfolio of securities and that the client is responsible for tax liabilities that may result from those transactions.

Alternatively, a Manager may return the securities to the client if the Manager is not able to accept or sell the securities for regulatory or other reasons. Clients may choose to liquidate assets from a Program and transition them to another product offering with specific entry or subscription periods and liquidity features, or to another Manager.



## ITEM 6: PORTFOLIO MANAGER SELECTION AND EVALUATION

### ***Selection of Portfolio Managers, Model Portfolio Providers, and/or Program Securities, as applicable***

For the applicable Programs, BTG Pactual AM US selects Portfolio Managers and specific strategies and/or model portfolio providers and specific Model Portfolios and securities for inclusion in such Programs.

Because PAP is a Program in which the advice provided to clients is exclusively non-discretionary, clients authorize BTG Pactual AM US to identify, review and make available a universe of Program securities, these Programs do not entail the recommendation, selection, evaluation or use of “Portfolio Managers.”

For other Programs, BTG Pactual AM US may utilize select Portfolio Managers, including but not limited to mutual funds, that fall within the overall asset allocation, quality, total return and cost parameters. All Portfolio Managers are approved by BTG Pactual AM US while being monitored on a regular basis and reviewed at least annually.

The selection process has been refined over the years. BTG Pactual AM US’s due diligence (“DD”) process includes both objective (quantitative) and subjective (qualitative) measures and is committed to high quality Portfolio Managers with transparency and direct access to decision-makers.

There are also several subjective measures (qualitative) which BTG Pactual AM US considers vital in evaluating Portfolio Managers, such as market experience, track record, differentiated traits of Portfolio Managers vs peers, quality of research, and alignment of interest.

Key elements of the due diligence process of Portfolio Managers performed by BTG Pactual AM US and/or a BTG affiliate include (1) Pre DD, (2) Investment DD, (3) Operational DD, (4) Final Approval/Onboarding, and 5) Ongoing Monitoring.

### **BTG Pactual AM US - Portfolio Advisor Program (‘PAP’)**

Because PAP is an investment advisory Program in which the advice provided to clients is exclusively non-discretionary, the Program does not entail the recommendation, selection, evaluation or use of “Portfolio Managers.” In this Item, therefore, BTG Pactual AM US addresses its selection and evaluation of the Advisor who individually provide non-discretionary investment advice to clients for their PAP accounts on behalf of BTG Pactual AM US.

### **UMA**

For UMA, BNY Mellon Advisors, Inc. (“BNYMA”) is the UMA Overlay Manager. Because there is only one UMA Overlay Manager, BTG Pactual AM US recommendation of UMA is a recommendation of BNYMA as UMA Overlay Manager for the client and assets at issue. Within BNYMA, clients will be able to choose from different strategies provided by third party asset managers.



***Review of Portfolio Managers, Model Portfolio Providers and/or Program Securities, as applicable*****UMA**

Currently, researched products are reviewed by the BTG Broker-Dealer Fund Research group (“Fund Research”) in the BTG Pactual Wealth Management division and comprised of employees of BTG Broker Dealer and other affiliates. Fund research conducts due diligence of the researched products that are available for use in the relevant Programs and is responsible for researching and selecting Funds and model portfolio providers, and for subjecting them to a review process.

With respect to the selection of Portfolio Managers, the objective is to favor established and financially sound firms and managers with a demonstrable record and long-term experience in managing capital over newer firms and managers lacking audited track records.

Portfolio Managers are monitored by the respective dedicated Fund Research teams within BTG Pactual AM US’s division. Portfolio Managers’ duty is to render competent, professional management of funds that client portfolios allocate to, which could be external and internal investment vehicles managed by BTG Pactual Asset Management. This includes regular calls and meetings between investment managers and respective Fund Research team members to provide perspective as to current positioning, recent portfolio adjustments, updates on team changes, improvements to the investment process (from sourcing to portfolio management to risk management), and so forth.

BTG Pactual AM US is not responsible for the performance of any researched product or any Portfolio Manager’s, model portfolio provider’s or Fund issuer’s compliance with applicable laws and regulations or other matters within their control.

**UMA (BNYMA)**

Although BTG Pactual AM US reviews the performance history of UMA participating in the Program, neither BTG Pactual AM US or any third-party calculates or audits the information for accuracy, verifies the appropriateness of the methodology on which the performance is calculated or verifies whether the performance complies with GIPS or any other standard for performance calculation. The methods for calculating performance and forming composites may differ among UMA and performance information may not be calculated on a uniform and consistent basis. Past performance may not be indicative of future results and, as such, prospective clients should not place too much emphasis on UMA performance information.

UMA is typically responsible for the day-to-day investment decisions within the Program, where selected, although BTG Pactual AM US may develop benchmarks and written investment guidelines for the management of client assets by UMA. BTG Pactual AM US’s responsibilities with respect to UMA generally are limited to the selection, appointment, evaluation, monitoring and removal of UMA, and BTG Pactual AM US generally does not have any rights with respect to determining or approving specific investments made by UMA other than setting general investment objectives and guidelines.

Clients should carefully review the Form ADV Brochure, Part 2A, for each of the Portfolio Managers they consider under the Program, including information about best execution, trade rotation and order of execution,

investment allocations, conflicts of interest and any other policy or issue that could potentially impact the management of client assets under the Program. To the extent a Program account regularly trades behind other types of accounts in a Manager's rotation system, for example, it is possible that the Program account may suffer adverse effects depending on market conditions.

## **PAP**

All funds available in the PAP program have been reviewed and approved to be transacted in the BTG Broker-Dealer.

### ***Methods of Analysis and Investment Strategies (PAP)***

In addition to various methods of analysis used by Advisors PAP as discussed below, please refer to the above for a discussion of the research and review processes that BTG Pactual Fund Research conducts on funds used in the Programs.

In formulating investment advice, managing assets, and recommending or effecting (as applicable) transactions in PAP, BTG Pactual AM US (through its Advisors) uses various methods of analysis, including:

- fundamental analysis, typically an effort to measure the intrinsic value of a security through analysis of the issuer itself, its financial statements and condition, its management and competitive advantages, and its competitors and markets;
- technical analysis, typically involving the study of data generated by market activity, such as past security prices and volume, in an effort to identify patterns and trends that may suggest a security's future price performance; and
- cyclical analysis, generally involving the examination of macroeconomic and market trends as a guide to forecasting security prices.

The method(s) of analysis used for a PAP Program client/account varies among and depends on the individual practice and investing philosophy of the Advisor. There is no assurance that a particular Advisor will use any of the methods of analysis identified above.

Advisors may provide advice with respect to, and may invest or recommend that Program accounts invest in, other types of investments and securities, including U.S. equity and income-oriented securities, shares of open and closed end Funds (including those that invest in futures and commodities), interests in master limited partnerships and other pooled investment vehicles, derivatives, structured notes, options, REITs, and cash.

Descriptions of some of the particular types of investments and investment tactics that may be recommended by certain Advisors in their implementation of certain investment strategies, and some of the risks presented by such investments are provided below. The information provided below is meant to summarize certain risks and is not inclusive of each and every potential risk associated with each investment type or applicable to a particular client account. Therefore, clients should not rely solely on the descriptions provided below and are urged to speak with their Advisor(s) and ask questions regarding risk factors applicable to a particular

investment strategy or product read all product-specific risk disclosures and determine whether a particular investment strategy or type of security is suitable for their account in light of their specific circumstances, investment objectives and financial situation.

### **Removing Managers**

Clients may request that the Manager for their Program account(s) be changed at any time, and BTG Pactual AM US will implement such requests as soon as is reasonably practicable. If BTG Pactual AM US removes a Manager from the Program, BTG Pactual AM US will generally attempt to reach each affected client so the client may select a replacement Manager. Clients may grant BTG Pactual AM US the authority to replace a removed Manager with a Manager of a comparable strategy (if available) without prior approval. In these cases, BTG Pactual AM US will select a replacement Manager and notify the client of the selection. If BTG Pactual AM US is not able to find a replacement Manager, securities previously managed by that Manager will be held by BTG Pactual AM US in a brokerage account for the client and the client will be responsible for directing transactions in those securities. If a client wishes to continue to retain a Manager that has been removed from the Program, the client will need to make other arrangements with BTG Pactual AM US outside the Program.

During the ongoing monitoring of the Managers in the Program, BTG Pactual AM US may determine to remove a Manager from the Program based on criteria including but not limited to its track record.

### **Risk Factors**

The investment risks described below represent some but not all of the risks associated with various types of investments and investment strategies. Clients should carefully evaluate all applicable risks with any investment or investment strategy, and realize that investing in securities involves risk of loss that clients should be prepared to bear.

This list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in connection with the Firm's investment portfolio or the management of clients' accounts. In addition, prospective clients should be aware that, as a client's investment portfolio develops and changes over time, the account may be subject to additional and different risks.

**Investing in securities involves risk of loss that clients should be prepared to bear. The investment performance and success of any particular investment cannot be predicted or guaranteed, and the value of a client's investments will fluctuate due to market conditions and other factors. Investments are subject to various risks, including, but not limited to, market, liquidity, currency, economic and political risks, and will not necessarily be profitable. Past performance of investments is not indicative of future performance.**

### **GENERAL RISKS**

**General Market Risk.** Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions. Securities in any one strategy may underperform in comparison to general financial markets, a particular financial market or other asset classes, due to a number of factors, including inflation (or expectations for inflation), deflation (or expectations for deflation), interest

rates, global demand for particular products or resources, market instability, debt crises and downgrades, embargoes, tariffs, sanctions and other trade barriers, regulatory events, other governmental trade or market control programs and related geopolitical events. In addition, the value of a strategy's investments may be negatively affected by the occurrence of global events such as war, terrorism, environmental disasters, natural disasters or events, country instability, and infectious disease epidemics or pandemics.

**Regulatory Risk.** There have been legislative, tax, and regulatory changes and proposed changes that may apply to the activities of BTG Pactual AM US that may require legal, tax and regulatory changes, including requirements to provide additional information pertaining to a client account to the Internal Revenue Service or other taxing authorities. Regulatory changes and restrictions imposed by regulators, self-regulatory organizations and exchanges vary from country to country and may affect the value of client investments and their ability to pursue their investment strategies. Any such rules, regulations and other changes, and any uncertainty in respect of their implementation, may result in increased costs, reduced profit margins and reduced investment and trading opportunities, all of which would negatively impact performance.

**Data Sources Risk.** Although BTG Pactual AM US, via Pershing, obtains data and information from third-party sources that it considers to be reliable, we do not warrant or guarantee the accuracy and/or completeness of any data or information provided by these sources. BTG Pactual has controls for certain data, that, among other things, consider the representations of such third parties with regard to the provision of the data to BTG Pactual in compliance with applicable laws. BTG Pactual does not make any express or implied warranties of any kind with respect to such third-party data. BTG Pactual shall not have any liability for any errors or omissions in connection with any data provided by third party sources.

**Intellectual Property and Technology Risks Involved in International Operations.** There can be risks to technology and intellectual property that can result from conducting business outside the United States. This is particularly true in jurisdictions that do not have comparable levels of protection of corporate proprietary information and assets such as intellectual property, trademarks, trade secrets, know-how and customer information and records. As a result, BTG Pactual can be more susceptible to potential theft or compromise of data, technology and intellectual property from a myriad of sources, including direct cyber intrusions or more indirect routes such as companies being required to compromise protections or yield rights to technology, data or intellectual property in order to conduct business in a foreign jurisdiction.

**Cyber Security Risk.** As the use of technology has become more prevalent in the course of business, BTG Pactual has become more susceptible to operational and financial risks associated with cyber security, including: theft, loss, misuse, improper release, corruption and destruction of, or unauthorized access to, confidential or highly restricted data relating to BTG Pactual and its clients, and compromises or failures to systems, networks, devices and applications relating to the operations of BTG Pactual and its service providers. Cyber security risks can result in financial losses to BTG Pactual and its clients; the inability of BTG Pactual to transact business with its clients; delays or mistakes in materials provided to clients; the inability to process transactions with clients or other parties; violations of privacy and other laws; regulatory fines, penalties and reputational damage; and compliance and remediation costs, legal fees and other expenses. BTG Pactual service providers (including any sub-advisers, administrator, transfer agent, and custodian or their agents), financial intermediaries, companies in which the client accounts and funds invest and parties with which BTG Pactual engages in portfolio or other

transactions also may be adversely impacted by cyber security risks in their own businesses, which could result in losses to BTG Pactual or its clients. While measures have been developed which are designed to reduce the risks associated with cyber security, there is no guarantee that those measures will be effective, particularly since BTG Pactual does not directly control the cyber security defenses or plans of its service providers, financial intermediaries and companies in which they invest or with which they do business.

**ETF Risks.** The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a liquidity risk if the ETFs has a large bid-ask spread and low trading volume. An ETF may suspend issuing new shares and this could result in an adverse difference between the ETF's publicly available share price and the actual value of its underlying investment holdings. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

**Mutual Fund Risks.** The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the shares of a mutual fund will fluctuate with the value of the underlying securities that make up the fund. The price of shares of a mutual fund is typically set only once per day (typically, 4 p.m. ET); therefore, shares of a mutual fund purchased before 4 p.m. ET will typically have the same price as shares purchased later (but before 4 p.m. ET) that same day.

**Alternative Investments and Limited Partnerships.** The performance of alternative investments and limited partnerships can be volatile and may have limited liquidity. An investor could lose all or a portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. Clients should only have a portion of their assets in these investments.

**Risks of Investing in Structured Products.** In certain Programs, clients may invest in, or allocate assets among, various unaffiliated structured products, which are generally unsecured debt obligations of the companies that issue them. As such, any payment on a structured product, including any repayment of principal, is subject to the creditworthiness of the issuer.

Structured products may not be suitable for all clients. Investing in structured products involves the use of derivatives and a higher degree of risk factors substantially different than those associated with other traditional investments, including risk of adverse or unanticipated market developments, issuer credit quality risk, risk of counterparty or issuer default, risk of lack of uniform standard pricing, risk of adverse events involving any underlying reference obligations, entity or other measure, risk of high volatility, and risk of illiquidity. The return on a structured product, including the amount paid at maturity, if any, is linked to the performance of an underlying asset (e.g., single stocks, indices, currencies, commodities or interest rates) and thus exposed to market and other risks related to the underlying asset(s). Therefore, it is possible that the return may be zero or significantly less than what investors could have earned on an ordinary, interest-bearing debt security. Past performance of an underlying asset class is not indicative of the profit and loss potential on any particular structured product. The value of the underlying assets can experience significant periods of fluctuation and prolonged periods of underperformance. Structured products are not insured by the Federal Deposit Insurance

Corporation (FDIC) and are not listed on any securities exchange. There may be little or no secondary market for a structured product and information regarding independent market pricing for a structured product may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. The price, if any, at which structured products can be purchased in secondary market transactions, if at all, will likely be lower than the original issue price and any sale prior to the maturity date could result in a substantial loss. Structured products are not designed to be short-term trading instruments; clients who purchase structured products should be willing to hold until maturity. The tax treatment of a structured product may be very different than that of a traditional investment or of the underlying asset and significant aspects of the tax treatment of a structured product may be uncertain. It is important that before investing in a structured product, investors should review the accompanying prospectus and prospectus supplement to understand the actual terms of the risks associated with specific structured products. In certain transactions, investors may lose their entire investment, i.e., incur an unlimited loss.

#### **OTHER MISCELLANEOUS RISKS**

**Key Personnel Risk.** If one or more key individuals become unavailable, including any of the Portfolio Managers of the investment strategies, who are important to the management of the portfolio's assets, the portfolio could suffer material adverse effects that could require the portfolio to sell portfolio securities at times when markets are not favorable.

**Liquidity Risk.** Investments in some equity and privately placed securities, structured notes or other instruments can be difficult to purchase or sell, possibly preventing the sale of these illiquid securities at an advantageous price or when desired. A lack of liquidity can also cause the value of investments to decline and the illiquid investments can also be difficult to value. Additionally, there may be no market for a fixed income instrument, and the holder may not be able to sell the security at the desired time or price. Even when a market exists, there may be a substantial difference between the secondary market bid and ask prices for a fixed income instrument.

**ITEM 7: CLIENT INFORMATION PROVIDED TO ADVISORS**

To open an account in any of the Programs, clients must provide BTG Pactual AM US with certain information about the clients' financial circumstances, investment objective, risk tolerance and any other relevant information relating to the account. A change in the information provided to BTG Pactual AM US or other circumstances can warrant a change to the client's investment objective, risk tolerance or other information.

We will recommend an appropriate strategy and investment options based on information provided by the client with respect to financial resources and goals, risk tolerance and investment objectives, along with any reasonable restrictions a client wishes to impose on the management of the account in which we can decline in our sole discretion.

For clients who select UMA, BTG Pactual AM US will provide the UMA Overlay Manager with any investment policy statement or questionnaire prepared in connection with the Program. Additionally, the UMA Overlay Manager may require the client to complete its own investment policy statement or questionnaire that it has specifically prepared.

At least annually, the BTG Pactual AM US Advisor(s) will contact the client and request current information about the client to determine whether there have been any changes in that information. BTG Pactual AM US Advisor(s) will provide the client's Managers with updated information the client provides promptly following receipt.

Each client is responsible for providing accurate and complete information to BTG Pactual AM US, as the failure to do so could affect the recommendation or selection of a Manager and that Manager's acceptance and management of the client's assets. Clients are further encouraged to, and are responsible for, promptly notifying their respective BTG Pactual AM US Advisor(s) in writing of any changes in the client's objectives or financial situations. All changes will be forwarded to the client's Managers.



**ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS**

Where BTG Pactual AM US serves as Manager for their respective clients, BTG Pactual AM US Advisors are available to speak with clients as needed and routinely communicate with such clients to discuss any aspects of their accounts. The BTG Pactual AM US Advisor would generally review the Client's objectives and risk parameters at least annually.

For the UMA program, the client will generally have access to contact and consult with representatives of BTG Pactual AM US. Such representatives are also available for clients to communicate any changes in their financial situation, investment objectives or restrictions with respect to the management of their Program accounts. Clients should review the Form ADV Part 2A brochure(s) or other similar disclosure documents of applicable Portfolio Manager(s) for any restrictions placed by the Portfolio Manager(s) of the Model portfolios.

With respect to PAP, the BTG Pactual AM US Advisor responsible for managing client accounts in the Programs may be freely contacted by, and are reasonably available for consultation with, clients during normal business hours.

As a general matter, clients should promptly communicate any changes in investment objectives and restrictions, and financial condition to their BTG Pactual AM US Advisor.



**ITEM 9: ADDITIONAL INFORMATION****Disciplinary Information**

The Firm and its Supervised Persons have not been involved in any legal or disciplinary events that are material to a client, investor or potential investor's evaluation of our advisory business or the integrity of the Firm's management. However, the Firm has disclosed administrative proceedings against certain of its Advisory Affiliates in Item 11 of Part 1 of its ADV filing which can be found by visiting [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and entering the Firm's CRD number 152538.

- a) Criminal or civil action
  - None
- b) Administrative proceeding
  - None
- c) Self-regulatory organization (SRO) proceeding
  - None

**Other Financial Industry Activities and Affiliations****Affiliate Broker-Dealer**

BTG Pactual AM US is not itself a broker-dealer, but has an affiliate, BTG Broker-Dealer, that is a registered broker-dealer with the SEC and a member of FINRA. Several of BTG Pactual AM US's Advisors are dually registered and associated with its affiliated broker-dealer, BTG Broker-Dealer (CRD No. 149486) as registered representatives. These individuals accept compensation for the sale of securities or other investment products, including trail fees or service fees from the sale of mutual funds, in their individual capacities as registered representatives of BTG Broker-Dealer.

From time to time a client may engage, and in the past has engaged, in transactions with BTG Pactual and its affiliates, including its affiliated broker-dealer. As part of the Programs, the wrap fee will generally cover execution fees for BTG Broker-Dealer which may result in a larger flow of business to BTG Broker-Dealer.

**Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration Status**

Sharon Ingram, Chief Compliance Officer, is an Associated Person of BTG Pactual Global Asset Management LTD..

## Material Relationships or Arrangements with Industry Participants

The Firm is associated with the following related persons:

### a) *Material Business Relationships with Certain Related Persons*

1. BTG Pactual AM US is affiliated through common control with the following entities that act as General Partners of clients advised by BTG Pactual AM US:
  - BTG Pactual Global Rates GP, Ltd.
  - BTG Pactual Consumer Asset Backed Investment Fund GP, Ltd.
  - BTG Pactual Rates GP Ltd
  - BTG Pactual Prop GP, Ltd
  - BTG Pactual Timberland Fund I General Partner Ltd
  - Aurora Midwest Industrial Holdings GP LLC
  - BTF II General Partner, Ltd
  - BTG Pactual Strategic Capital Fund GP, LLC
  - Specialized Multifamily Partners Fund GP, L.P.
  - Specialized Multifamily Partners GP, LLC
  - TRF General Partner I, Ltd.
  - BTF II-D Co-Invest General Partner, Ltd
  - BTF II Co-Invest General Partner, Ltd
  - BTF II-A Co-Invest General Partner, Ltd
  - BR Florestais General Partner, Ltd
  - BTG Pactual U.S. Private Credit Investments GP, LLC
2. BTG Pactual AM US is affiliated with BTG Pactual Global Asset Management Ltd, an exempt reporting adviser that acts as the primary adviser of fund portfolios sub-advised by BTG Pactual AM US. BTG Pactual Global Asset Management Ltd is registered as a commodity pool operator with the United States Commodity Futures Trading Commission and a member of the National Futures Association.
3. BTG Pactual AM US is affiliated through common ownership with the following entities' broker-dealers services:
  - BTG Pactual Casa de Bolsa S.A., de C.V.
  - BTG Pactual US Capital LLC
  - BTG Pactual Corretora de Titulos e Valores Mobiliarios S.A.
  - BTG Pactual Argentina S.A.U.
  - BTG Pactual Chile S.A. Corredores De Bolsa
  - BTG Pactual Corretora De Resseguros LTDA
  - BTG Pactual Peru S.A.Sociedad Agente De Bolsa
  - BTG Pactual S.A. Comisionista De Bolsa
  - FXC Corretora De Valores S.A
  - BTG Pactual Corretora de Seguros Ltda

- Elite Corretora de Câmbio e Valores Mobiliários Ltda
  - Pan Corretora de Seguros Ltda
  - EQI Corretora de Títulos e Valores Mobiliários S.A.
  - BTG Pactual Portugal – Empresa de Investimento, S.A.
4. BTG Pactual AM US is affiliated through common ownership with the following entities that provide investment advisory services:
- BTG Pactual Asset Management S.A. DTVM
  - BTG Pactual WM Gestao de Recursos Ltda.
  - BTG Pactual (UK) Limited
  - BTG Pactual Gestora de Recursos LTDA
  - BTG Pactual Gestora de Inv. Alternativos LTDA
  - BTG Pactual Chile S.A. Administradora De Fondos De Inversion De Capital Extranjero
  - BTG Pactual Timberland Investment Group, LLC. BTG Pactual Timberland Investment Group, LLC manages (and/or makes investment recommendations with respect to) certain assets of the clients, subject to the direction of, and policies established by, BTG Pactual Asset Management US, LLC.
  - BTG Pactual Global Asset Management Ltd
  - BTG Pactual Chile S.A. Administradora General de Fondos
  - BTG Pactual Portugal Unipessoal, LDA
  - Empiricus Gestao de Recursos LTDA
  - Kawa Capital Management, Inc.
  - BTG Pactual S.A. Advisors Distribuidora de Títulos e Valores Mobiliários Perfin Administracao De Recursos LTDA
  - Vitreo DTVM S.A.
  - Clave Gestora de Recursos Ltda
  - Magnetis – Distribuidora de Títulos e Valores Mobiliários Ltda
  - BTG Pactual Serviços Financeiros S.A. DTVM.
  - BTG Pactual Gestora de Fondos S.A. de C.V. S.O.F.I
  - BTG Pactual Peru S.A. Sociedad Admini. de Fondo

b) *Recommendation and Selection of Other Investment Advisers*

Not applicable.

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

**Code of Ethics**

BTG Pactual AM US's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"). The Code sets forth a standard of business conduct that takes into account BTG Pactual AM US's status as a fiduciary and requires the Firm to place the interests of clients and investors above its own interests. The Code requires staff members to comply with applicable federal securities laws and requires staff members to promptly bring violations of the Code to the attention of

the Firm's Compliance Department. Staff Members are provided with a copy of the Code and are required to acknowledge receipt of the Code periodically.

The Code sets the Firm's controls over personal trading and also describes BTG Pactual AM US's policies regarding the protection of confidential information. Staff Members are specifically prohibited from using their knowledge about pending transactions or investments currently being considered for personal profit, including by purchasing or selling such securities directly or indirectly. Further, all Access Persons (as defined in the Code) must periodically provide reports detailing personal securities transactions as well as securities holdings. Such reports will be reviewed by the Chief Compliance Officer ("CCO") or the CCO's designee to ensure compliance with the Code.

BTG Pactual AM US forbids all Staff Members from trading, either personally or on behalf of others, including clients, on material non-public information ("MNPI") or communicating MNPI to others in violation of the law. This conduct is frequently referred to as "insider trading." This policy applies to all Staff Members and extends to activities within and outside his or her duties at BTG Pactual AM US.

Investors or prospective investors may obtain a copy of the Code by contacting the Advisor via e-mail at [funds@btgpactual.com](mailto:funds@btgpactual.com).

### **Conflicts of Interest**

BTG Pactual AM US, its officers, members and Staff Members may invest in the securities of certain clients for which the Firm serves as investment manager or adviser. In addition, the Firm's affiliated and related parties may have conflicts of interest in allocating their time between management of the clients and other activities, in allocating investments among the clients, and in effecting transactions for the clients, including ones in which the affiliated and related parties may have a greater financial interest.

As previously disclosed in the section "Cash Sweep Services", BTG Pactual AM US and/or its affiliates receive a rebate fee from Pershing for the cash portion of a Program account that is not invested in a money market mutual fund. In this regard, the Firm has a financial incentive to sweep available cash balances into accounts established by Pershing, rather than into an eligible money market mutual fund, because of the compensation we receive when a Program account's excess cash is swept into a Pershing account. To mitigate this conflict, the Firm has adopted policies and procedures reasonably designed to ensure that sweeping activity is periodically monitored to ensure that such activities are not averse to clients' interests. Further, BTG Pactual AM US discloses information regarding an account's cash-sweep activity in the account statements.

In addition to the rebate fee, BTG Pactual AM US also receives a fee representing a percentage of all net new money introduced to Pershing. As such, the Firm has a financial incentive to select Pershing over other qualified custodians to provide clearing services and custody for its Program accounts. To mitigate this conflict, the Firm has adopted policies and procedures reasonably designed to ensure that the continued use of Pershing to provide clearing services and custody is in the best interest of the Firm's clients.

BTG Pactual AM US, its affiliates, and each of their respective directors, members, partners, shareholders, officers and staff members are not prohibited from conducting other business, including other business within the securities industry, whether or not such business is in competition with the clients. For example, subject to the Code and applicable securities laws, BTG Pactual AM US and such affiliated and related parties may act (and

do act) as general partner, investment adviser or investment manager for more than one client, may have, make and maintain investments in their own name or through other entities and may serve (and do serve) as an officer, director, consultant, partner or stockholder of one or more investment funds, issuers, securities firms or advisory firms. Such other entities or accounts may have investment objectives or may implement investment strategies similar to or different from those of the clients. In addition, affiliated and related parties may, through other investments, have interests in securities in which the clients invest as well as interests in securities in which the clients do not invest. The affiliated and related parties may give advice or take action with respect to such other entities that differs from the advice given or action taken with respect to one or more clients.

Additionally, as previously disclosed, BTG Pactual AM US may invest Program account assets into Funds managed by the Firm or its affiliates or Funds that offer us compensation for successfully referring clients or investing Program account assets into such Funds. These arrangements may incentivize BTG Pactual AM US to invest Program account assets in certain Funds over alternative investments opportunities. Moreover, with respect to notes structured by BTG Broker-Dealer, for which the Fee does not cover “mark-ups,” “mark-downs” or “dealer spreads,” to the extent such notes are recommended to Program clients, BTG Pactual would receive compensation beyond the scope of the Fee.

In cases where BTG Pactual is a member of the underwriting syndicate from which a security is purchased for clients of any Program, BTG Pactual may, directly or indirectly, benefit from such purchase. As such, as Manager of the Program accounts, we may be incentivized to recommend or purchase, on behalf of Program accounts, securities in which BTG Pactual underwrites.

Although investments by BTG Pactual AM US, its affiliates and their related persons alongside investors in the clients can strengthen the alignment of interests between BTG Pactual AM US and its clients, any significant ownership interest by BTG Pactual AM US, its affiliates, and their related persons in a client could motivate BTG Pactual AM US to make different investment decisions from those that would have been made otherwise. For example, BTG Pactual AM US investment staff members may have an incentive to allocate more profitable investments to clients in which they and their related persons have investments, or to trade the portfolios of those clients first.

BTG Pactual AM US will, from time to time, be presented with investment opportunities that fall within the investment objective of a client, the investment objectives of BTG Pactual AM US as a principal investor, and/or the investment objectives of other investment funds, accounts, vehicles and clients sponsored, managed or advised by BTG Pactual AM US. As discussed below, not all investments which are within the primary investment focus of a client will be allocated to a client, and the governing documents of a client allow BTG Pactual AM US to make such investments away from such client, or allocate them to others, in certain circumstances. Investments determined to be outside a client’s primary investment focus as well as investments that are determined in good faith by BTG Pactual AM US are not suitable for such client may be made away from such client.

Even if an investment manager has no incentive to favor one client over another, the interests of one client may conflict with those of another client. A limited investment opportunity, for example, might be suitable to one or more clients. In that case, BTG Pactual AM US seeks to allocate the investment opportunity among relevant clients in a manner that is fair and equitable under the circumstances to relevant clients. Notwithstanding the

foregoing, investment opportunities suitable to more than one client may nonetheless be wholly allocated among clients disproportionately or wholly to one client, as discussed in greater detail below.

BTG Pactual AM US has established trade allocation policies and procedures addressing BTG Pactual AM US's duties to allocate investment opportunities among clients on a basis that BTG Pactual AM US determines in good faith is appropriate or desirable in its sole discretion. Most investment opportunities that satisfy the investment parameters of a single particular client will be allocated exclusively to that particular client. In most cases, however, an investment opportunity may be appropriate for more than one client. If an investment opportunity will be allocated, BTG Pactual AM US will, to the extent practicable, determine that the allocation is made on a basis that BTG Pactual AM US determines in good faith is appropriate or desirable in its sole discretion taking into account the relevant facts and circumstances and parameters of the governing documents of the investment fund advised by BTG Pactual AM US (or investment management agreement in the case of a managed account), the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals for each such client, legal, tax and regulatory matters, portfolio diversification concerns, the specific nature of the investment, the risk-return profile of the investment, client relationships, the source of the investment opportunity, its contractual and legal obligations to BTG Pactual AM US's security-holders and its other managed vehicles, accounts, clients and investors and the nature of their investment focus, its investment allocation policies and procedures, the relative amounts of capital available for investment, the participation by strategic co-investors and other considerations deemed relevant by BTG Pactual AM US. The outcome of this determination may result in the allocation of all of an investment opportunity to a client, or may result in such client co-investing alongside BTG Pactual AM US and/or other funds, accounts, vehicles, strategic investors or clients managed or advised by BTG Pactual AM US and other co-investors, in either the same or different parts of the portfolio company's capital structure. Allocation of identified investment opportunities among BTG Pactual AM US and other funds, accounts, vehicles, strategic investors and clients managed or advised by BTG Pactual AM US and other co-investors presents inherent conflicts of interest where demand exceeds available supply or where the Firm cannot allocate the same investment opportunity to all suitable clients at the same cost. Investors should note that the conflicts inherent in making such allocation decisions may not always be resolved to the advantage of the client. As a result of the foregoing, not all amounts available to a client or to BTG Pactual AM US relating to an investment opportunity will be presented to such client. In certain situations, participation of multiple clients in a single transaction may require consent of the investor advisory committee or the investors of the participating clients (or duly appointed representative in the case of a Managed Account). Allocation decisions are periodically reviewed to determine such decisions are made on a basis that BTG Pactual AM US determines in good faith is appropriate or desirable in its sole discretion. BTG Pactual AM US's policies prohibit the allocation of investment opportunities based on anticipated compensation or profits to the Firm, any affiliates or their professionals.

BTG Pactual AM US permits one or more strategic investors to invest in transactions in which a client invests if BTG Pactual AM US determines in good faith that their investment would be beneficial in consummating such client's investment (including where an investor can invest or commit to invest a significant amount of capital in a short period of time), successfully operating the portfolio company or its assets, disposing of the investment or otherwise adding value to the investment because of certain skills or attributes of the strategic investor.

BTG Pactual AM US may in its sole and absolute discretion give investors in a client or third parties the opportunity to co-invest in a particular investment, including where BTG Pactual AM US determines a portion



of the equity required would unreasonably limit diversification of a client. Subject to BTG Pactual AM US's allocation policies and the governing documents of a client, in general, (i) certain investors in a client have a right to participate in any co-investment opportunity pursuant to their side letter, (ii) decisions regarding whether and to whom else to offer co-investment opportunities are made in the sole discretion of BTG Pactual AM US or other participants in the applicable transactions, (iii) co-investment opportunities may, and typically will, be offered to some and not other investors of a client, (iv) certain persons other than investors in a client may be offered co-investment opportunities, in the sole discretion of BTG , and (v) co-investors may purchase their interests in a portfolio company at the same time as a client or may purchase their interests from a client after such client has consummated its investment in the portfolio company (also known as a post-closing sell down or transfer). As a general matter, BTG Pactual AM US, in determining the allocation of co-investment opportunities, generally expects to take into account various facts and circumstances BTG Pactual AM US deems relevant, including among others, whether a potential co-investor has expressed interest in evaluating co-investment opportunities, whether a potential co-investor has a history of participating in co-investment opportunities with BTG Pactual AM US, the size of the potential co-investor's interest to be held in the underlying portfolio company as a result of a client's investment (which is likely to be based on the size of the potential investor's capital commitment and/or investment in a client), whether the potential co-investor has demonstrated a long-term or continuing commitment to the potential success of BTG Pactual AM US, a client, or other co-investment and/or other clients, and such other factors that BTG deems relevant under the circumstances. The allocation of co-investment opportunities may involve a benefit to BTG Pactual AM US including, without limitation, fees or carried interest from the co-investment opportunity and capital commitments to clients. Certain Advisory Clients of BTG Pactual AM US and BTG Pactual Timberland Investment Group, LLC may be offered co-investment opportunities by virtue of a current and/or prior investment. The Client may bridge such investments until capital is called from co-investors. Any capital returned from such a bridge will generally be treated as not having been contributed for purposes of a client's governing documents. The performance of co-investments is not aggregated with that of any client, including for purposes of determining the calculation of performance fees or management fees. BTG Pactual AM US may or may not charge management fees, one-time funding fees and/or performance fees in respect of co-investments, as it determines in its sole discretion. If permissible and meeting the criteria set forth under the relevant regulatory rules, BTG Pactual AM US may also enter into side letters or other similar agreements with certain investors in connection with their admission to a client, which includes special rights with respect to co-investment.

Pursuant to the foregoing, all or a portion of any investment opportunity within the investment objective of a client may be allocated to other funds, accounts or vehicles advised or sponsored by BTG Pactual AM US. BTG Pactual AM US's exercise of its discretion in allocating investment opportunities with respect to a particular investment among various clients may not, and often will not, result in proportional allocations among such clients, and such allocations may be more or less advantageous to some clients relative to other clients. There can be no assurance that a client's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which BTG Pactual AM US may be subject, discussed herein, did not exist.

BTG Pactual employs a number of controls to mitigate potential conflicts of interest. Business areas that have activities with potential conflict are physically and logistically segregated. Communication channels are properly monitored. Employees in areas that use sensitive information on a daily basis also undergo specific training.

BTG Pactual enforces limits on sending and receiving gifts to and from clients/partners. These must be declared and pre-approved by Compliance.

Investments made by employees and external activities carried out should also conflict with BTG Pactual's activities therefore must also be previously approved by Compliance. Employees are expected not to be involved in any situation that conflicts with their activities carried out at BTG Pactual or has any reputation risk. If a conflict is identified, the employee must declare himself/herself conflicted through the means previously disclosed, as well as immediately withdraw from the meeting and/or negotiation in issue, and must completely refrain from any decision making regarding the process.

Despite the controls that BTG Pactual has established there can be no assurance made that any of BTG Pactual's current controls will have their desired effect.

### Review of Accounts

#### **Frequency and Nature of Review of Client Accounts**

BTG Pactual AM US has detailed knowledge of the investments in each client. The client portfolios are under periodic review by the investment professionals responsible for such account and seek to ensure that transactions are within the parameters of the various investment mandates. The compliance and operations departments periodically review the portfolios for most clients.

In terms of frequency, the Firm monitors client portfolios and conducts periodic account reviews at least annually to ensure consistency with the strategy and performance objectives. Reviews may also be conducted when requested by the client. The frequency and extent of the reviews vary by client and are driven generally by client circumstances, changes to a client's financial situation, and assets and investments currently held or proposed to be held.

#### **Content and Frequency of Account Reports to Clients**

All clients receive or have the option to receive monthly or quarterly reports. Wealth management clients have access to their portfolio provided by their custodian banks and also have the option of receiving monthly reports from the Firm or more frequent access through an internet client portal. The nature of monthly and quarterly reports to clients and wealth management clients depends on the terms of the governing documents of such clients' accounts and/or the requirements of any exchange or market on which their securities are admitted to trade or the relevant management agreement.

Private fund investors will receive reports as disclosed in the offering memoranda of each private fund. Audited financial statements are sent to private fund investors within either 90 or 120 days of the financial year end, depending upon the private fund's requirements.

### Client Referrals and Other Compensation

From time to time the Firm may engage, and in the past has engaged, third-party marketers or solicitors to refer potential investors to private funds, investment vehicles and/or managed accounts. As compensation for its services, the solicitor will receive a portion of the investor's fees paid to the Advisor. All solicitation agreements comply with the conditions and requirements of Rule 206(4)-1 under the Advisers Act.



## Financial Information

### **General Financial Disclosures**

No financial events have occurred to BTG Pactual AM US that would negatively affect the financial viability of the Firm. There is no financial condition of which BTG Pactual AM US is aware that is reasonably likely to impair the Firm's ability to meet contractual commitments to clients. In an effort to be transparent to all investors, please see the below disclosure regarding Banco BTGP's recent credit ratings. Banco BTGP is the ultimate parent company of the Firm. Banco BTGP's credit rating is not likely to impair the Firm's ability to meet its contractual commitments to clients.

#### *a) Financial Disclosures*

The Firm does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

#### *b) Material Financial Impairment*

As noted above, the Firm is not aware of any financial condition that is reasonably likely to impair BTG's ability to meet contractual commitments to clients.

#### *c) Bankruptcy Petitions*

BTG has not been the subject of a bankruptcy petition at any time during the past ten years.

### **Financial Disclosure Regarding Banco BTG Pactual**

As of February 2024, Banco BTGP's ratings on the long-term global scale were:

Moody's: Ba2

Standard & Poor's: BB

Fitch Ratings: BB (long term IDR)

Fitch Ratings: B (short term IDR)

### **Errors**

Errors may occur from time-to-time in transactions for client accounts. The Advisor will generally correct any such errors that are the fault of the Advisor or an affiliate at no cost to the client, other than costs that the Advisor deems immaterial. In correcting any errors that are the fault of the Advisor or an affiliate, the Advisor or an affiliate may repurchase the securities from the client. To the extent that the subsequent sale of such securities generates a profit to the Advisor or an affiliate, the Advisor or the affiliate 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 Advisor will not be responsible for any errors that occur that are not the fault of the Advisor or any affiliate.