

**Part 2A of Form ADV: *Firm Brochure***

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March 8, 2019

This brochure provides information about the qualifications and business practices of Hemisphere Partners LLC. If you have any questions about the contents of this brochure, please contact us at 212-520-8280 or mheller@hemispherepartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

**Hemisphere is an investment adviser registered with the SEC.  
Registration with the SEC does not imply any level of skill or training.**

Additional information about Hemisphere Partners LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 136535.

## **Item 2      Material Changes**

Since our last update on March 7, 2018, we have made the following changes:

Item 12: Brokerage Practices: Hemisphere no longer maintains a list of Approved Brokers that it will make available to clients who request recommendations as it does not have the capacity to independently evaluate brokerage firms.

Item 14: Client Referrals and Other Compensation. The firm has disclosed that we may in the future enter into referral arrangements with third parties under which we agree to pay compensation for referrals, in which case we would provide the required disclosure statement to the potential clients at or prior to the time of entering into an Advisory Agreement as required by the rules under the United States Investment Advisers Act.

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## **Item 4      Advisory Business**

Hemisphere Partners LLC is a SEC-registered investment adviser with its principal place of business located in New York. Hemisphere Partners LLC began conducting business in 2005.

Our firm is owned by Rosemarie Marino and Mitchell Heller.

We provide ongoing advice to clients regarding the investment of their funds based on the individual needs of each client. We conduct personal discussions with the client in which goals and objectives based on a client's particular circumstances are established. During our data-gathering process, we ascertain the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background. Based on the data collected, we develop a client's personal investment policy statement (the "Investor Profile") which includes an asset allocation strategy. We then create and manage a portfolio based on that policy.

Our investment recommendations are not limited to any specific product or service and may include advice to invest in securities of public or private companies, mutual funds, foreign public investment funds (such as UCITS), fixed income securities or private funds.

We may also allocate a portion of a client's portfolio to independent third party investment advisers, in which event; the client will be directed to or provided with that adviser's brochure or other disclosure document.

Based on the client's individual circumstances and needs (as exhibited in the client's Investor Profile), we recommend a personalized asset allocation strategy across asset classes. Once the asset allocation strategy has been agreed with the client, we propose a combination of different investment products that we determine are suitable for the client based on the Investor Profile, seeking to achieve the client's overall investment objectives.

Clients may choose to have their investments managed on a discretionary or non-discretionary basis.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors in the investment advisory agreement, the Investor Profile or in a separate communication with the Hemisphere, which we then reflect in the Investor Profile.

Clients who have additional wealth advisory needs (beyond investment advice) may hire us on a consulting basis, either for specific projects or on an ongoing basis.

We do not participate in wrap fee programs, although we may recommend that clients invest in funds or with advisers who are part of a broker's wrap fee program. In all cases, our fees are separate from the fees and expenses of any fund or manager independent of us to whom we allocate client assets.

As of December 31, 2018, we were managing \$ 225,177,352 of clients' assets on a discretionary basis and \$ 14,455,437 on a non-discretionary basis. We have included as assets managed on a discretionary basis only those assets that we have authority to invest without seeking a client's or its representative's signature or approval prior to execution, although in the case of separately managed accounts with unrelated managers or subscriptions in private funds, we may choose to request the client to execute the necessary documents.

## Item 5 Fees and Compensation

**Advisory Fees.** Our annual fees for our Advisory Services are based upon a percentage of assets under management and generally range from 0.25% to 1.00% per annum.

Hemisphere Partners LLC retains the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee. These include the complexity of the client's circumstances, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, among other factors. With the agreement of the client, we may group certain related client accounts for the purposes of determining the annualized fee.

The specific annual rate used to calculate our fee is stated in the advisory agreement which is signed by the client and Hemisphere. We generally require our Clients to pay our fees quarterly in advance based on the total gross value of the assets as of the last business day of the preceding calendar quarter. We also charge fees on assets added during the quarter on a prorated basis if they exceed a threshold amount that we establish from time to time (currently \$100,000), although we may waive these additional fees in our discretion. We issue and send our fee invoices to clients on a quarterly basis. Clients may elect to send payment directly to us or authorize us to debit one or more of their accounts held by their custodians.

For those clients who elect to have their fees debited directly from their accounts, we send a copy of our fee invoice to the custodian or otherwise advise the custodian of the amount of the fee to be deducted. Because the custodian does not independently calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their fee calculation.

A client may terminate their advisory relationship with Hemisphere at any time upon 30 days prior written notice. Provided the client takes the necessary actions to notify the custodians of the removal of Hemisphere as adviser and to move the assets or the custodial accounts so that the custodian no longer reports them to Hemisphere, we will stop charging fees as of the date of termination or the date all procedures are complete and Hemisphere no longer has any responsibility for the accounts, whichever is later. If the termination date occurs prior to the end of a quarter for which the client has already paid fees, we will refund the fees to the bank account notified to us by the client for the unused portion prorated on a basis of the number of days remaining in the quarter and a year of 360 days, so long as the amount to be refunded exceeds the relevant bank charge by at least \$50.

**Consulting Services Fees.** Hemisphere's fees for Consulting Services are determined based on the nature of the services being provided and the complexity of each client's circumstances. Our Consulting Services fees are calculated and charged on an hourly basis, ranging from \$400 to \$500 per hour. We agree the fee rate with each Consulting Services client prior to providing the services and bill them quarterly in arrears for the actual number of hours worked.

**Reimbursement of Advances to Clients.** In certain circumstances, we may pay certain third party bills and expenses for our clients, in which event we add the amount paid to the next invoice to the client without interest.

**Fees and Expenses of the Investments.** In all cases, Hemisphere's advisory and/or consulting fees are in addition to any fees or expenses charged by the funds, investments, separately managed accounts or independent advisers in or with which we invest our clients' assets.

The fees and expenses of the investments are described in each fund's offering material, or brochure of the independent manager, or will be disclosed by the custodian in connection with the account opening process with the client. None of the investments we recommend are proprietary to us and the clients may always invest in any of them independently of Hemisphere.

**Wrap Fee Programs and Separately Managed Account Fees:** Clients participating in separately managed account programs must open their own account with the custodian/wrap fee sponsor and will be charged various program fees by the sponsor that are unrelated to Hemisphere. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately, if available. Hemisphere does not participate in any such wrap fee programs and is not paid by any wrap fee sponsor. Therefore, in all cases, Hemisphere's fees are in addition to the expenses of the wrap fee program.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which we effect transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

We may also charge an account set-up fee ranging from \$250 to \$1,000, depending on the complexity of the accounts being established. In addition, we may charge an annual administrative fee ranging from \$100 to \$500 to cover the costs of faxes, messengers and courier services. These fees are determined on an individual client basis depending on the level of expenses we expect to incur on behalf of that client. The annual administrative fee may be more or less than the actual out-of-pocket expenses we incur and is set at a flat rate. From time to time, we may adjust the annual fee or charge an additional fee during a year based on the experience with the client over the previous year and the expected administrative burden in the coming year.

**Sales Commissions.** We do not act as a distributor, placement agent, solicitor or broker for any funds, managers, custodians or portfolio companies or other investments that we recommend to our clients. In certain instances, however, if a fund, manager or issuer offers payments, rebates or fee sharing arrangements to Hemisphere in connection with investment of client assets, Hemisphere will accept such payments. We then pay the amounts received to the relevant clients, either by applying a credit to subsequent quarterly invoices until the amounts are exhausted or, if the advisory relationship has already terminated and the amount to be remitted exceeds the relevant bank charges by at least \$50, by remittance to the client in U.S. dollars by check or wire transfer in accordance with the client's instructions, subject to compliance with applicable laws.

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

We do not charge performance-based fees.

## **Item 7      Types of Clients**

Our clients are primarily high net worth individuals and their estate planning vehicles or personal holding companies. We have no set minimum account size so long as we determine, based on our assessment of the Investor Profile, that a client is suitable to receive our services. We may resign from servicing a client on 90 days prior written notice if we determine that the client is no longer suitable or the client has not invested sufficient assets with us, or if client has withdrawn funds and no longer maintains sufficient invested assets for our services.

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

Our investment philosophy is to build individually tailored diversified portfolios of funds across multiple asset classes and investment durations intended to meet our clients' investment objectives. We may also purchase equity or debt positions in individual issuers for client accounts. The focus of our portfolio construction is on various commingled investment vehicles, both domestic U.S. and outside the U.S., which may include registered mutual funds in the U.S., UCITS in Europe or other publicly offered funds, exchange traded funds and vehicles, privately offered funds, such as hedge funds and private equity funds, and fixed income or government debt securities. We may also include allocations to separately managed accounts of investment advisers independent of Hemisphere in lieu of a collective investment vehicle.

We conduct our analysis by reviewing offering materials for each investment and what we consider to be relevant facts and circumstances. Our monitoring of an investment may include attending investor conferences, conference calls and meetings with the relevant investment adviser or manager, assessing the performance of the manager relative to any benchmark they purport to be comparable to and their continued surveillance by one of the advisers or platforms to which we have access.

As a small firm, we are not capable of performing operational due diligence on these independent managers or overseeing or assessing their compliance systems. Therefore, we generally look at funds or accounts run by established, regulated managers or managers who have been vetted by another adviser for admittance on a separately managed account platform such as that of Charles Schwab, Morgan Stanley, JP Morgan or Envestnet. We have access to their due diligence and surveillance reports, which cover the managers available on their platform. We only rely on reports and information we believe to be accurate and produced by sources we consider reliable, but we have no way to verify independently the information we receive. Therefore, there is a risk that the information is incorrect or incomplete.

Upon a client's request, we will include in the portfolios under our supervision specific investments requested by the client, even if the account is otherwise under our discretionary investment management. In those instances, we will not buy/subscribe for such investment or sell/redeem from such investment without instruction from the client and such investments

may not be investments we would otherwise recommend to client or may even be inadvisable for the client in our opinion.

***Risks of our Research and Allocation Methods.*** We assume in our research and allocation recommendations that the information we receive from the funds, managers or issuers, and other publicly-available sources of information about these investments, and reports we purchase from third-party analysts, are accurate and unbiased and do not omit any material information.

***Risk of Loss.*** Securities investments are not guaranteed and you may lose money on your investments. We aim to construct a portfolio that will meet the Investor Profile, including risk tolerance and time horizon, but there is no guarantee that any given portfolio will perform as expected. Past performance is not necessarily indicative of future results. Further, we rely on the clients to inform us of changes in their circumstances, needs and other relevant factors that are included in the Investor Profile. While we meet with each client several times a year, we cannot be responsible for changes to which the client does not alert us.

***Risk of Small Firm, Limited Resources and Dependence on Principals.*** Hemisphere is a small firm. Mitchell Heller and Rosemarie Marino are the only personnel engaged in the investment advisory and management business on a full-time basis and the only personnel involved in generating the investment advice provided to clients. As a result, the business is very dependent on the continued involvement of these two individuals and if either were to become incapacitated or leave the firm, the ability of Hemisphere to continue could be compromised. Further, Hemisphere makes its recommendations based on the offerings of various funds and managers, and when available, may be able to invest the clients' assets in "institutional" classes. We are not in a position to negotiate more favorable terms for our clients than those generally offered with the funds and managers to whom we allocate assets.

***Risk of Illiquid Investments.*** Our portfolio allocations may include allocations to funds or separately managed accounts that may not be liquidated on short notice or may become illiquid through market forces. While we believe these investments, including investments in private equity or debt funds, venture capital, and certain hedge funds, offer potential benefits to the clients' investment portfolios, if a client experiences a change in circumstances, it may not be able to liquidate these investments, in some cases, for long periods of time, ranging from several months to several years.

***No Limit on Investment Type or Strategy.*** Hemisphere aims to build diversified portfolios and there is no limit on the type of instruments, strategies or vehicles in which we may invest client assets unless specifically imposed by the client.

## **Item 9      Disciplinary Information**

Our firm and our management personnel have no disciplinary events to disclose.

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

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.



As described in Item 5, we may accept payments in respect of client investments from third party fund managers, which we credit or remit to our clients.

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

Hemisphere has adopted a Code of Ethics (the “Code”) which sets forth the ethical and fiduciary principles and related compliance requirements under which Hemisphere operates and the procedures for implementing those principles. The Code includes provisions which govern fiduciary duty, insider trading, personal trading, gifts and entertainment, political contributions, outside business activities and confidentiality.

With respect to personal trading by its principals, employees and related accounts (collectively, “Covered Persons”), Covered Persons are permitted to maintain personal securities accounts provided that such accounts are disclosed to Hemisphere and that any personal trading is consistent with applicable law and with the Code. Subject to compliance with the Code, Covered Persons may buy, sell or hold, for their own personal accounts, securities that Hemisphere also may buy, sell or hold for its Clients. Due to the nature of the investments Hemisphere makes for clients and the size of the accounts of Covered Persons, the risks that personal trading by any Covered Persons will affect client investments in any way or that any client opportunity could be usurped by Covered Persons is relatively small.

The Code contains policies and procedures that, among other things:

- prohibit Covered Persons from taking personal advantage of opportunities belonging to Clients,
- prohibit trading on the basis of material nonpublic information,
- impose preclearance (as required by the applicable law and regulation) and reporting obligations with respect to personal trading, and
- require initial and annual reports of securities holdings and quarterly transaction reports by Covered Persons.

Hemisphere Clients and prospective clients may request a copy of Hemisphere’s Code of Ethics by contacting Mitchell Heller by email sent to [mheller@hemispherepartners.com](mailto:mheller@hemispherepartners.com), or by calling us at 212-520-8280.

Due to the type and nature of the investments about which Hemisphere gives advice or makes investment decisions, Hemisphere generally does not bunch or combine orders for Client investments. On those occasions where we do place simultaneous or near simultaneous orders for the same security, the executing bank or broker will determine the sequence of the orders, not Hemisphere. Hemisphere’s goal is to be fundamentally fair on an overall basis with respect to all Clients.

However, at any particular time there can be no guarantee or assurance on an overall or transaction-by-transaction basis that any particular Client will not be treated, or appear to be treated, more favorably than another Client.

Hemisphere does not engage in principal transactions with Clients and if it did so in the future, it would secure applicable Client consent. Principal transactions are generally defined as transactions where an adviser or its affiliate, acting as principal for its own account, buys from or sells any security to any advisory client.

## **Item 12 Brokerage Practices**

As our firm does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients open their own accounts with a broker dealer, or bank, who also acts as their custodian. Hemisphere will execute trades for that client's account only through the broker with whom the client has opened the account and authorized Hemisphere to give instructions. Therefore, Hemisphere is not responsible for, and cannot control, the commission rates charged to clients or for ensuring that the clients receive best execution of their transactions.

For clients in need of brokerage or custodial services, and depending on client circumstances and needs, upon request we will provide a client or potential client with suggestions of brokers or custodians based on our past experience. Hemisphere receives no compensation for such suggestions, our recommendations are for the client's convenience only and are based on our own experience. The clients must evaluate these brokers/custodians for themselves before opening an account. Clients are not under any obligation to effect trades through any recommended broker. At the client's request, Hemisphere will manage client's assets held at other brokers and custodians.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account. When a client directs Hemisphere to use any particular broker, it should be understood that Hemisphere Partners LLC does not have authority to negotiate commissions and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients (who may direct the use of another broker) and may result in higher costs for the client.

As a matter of policy and practice, Hemisphere Partners LLC generally does not combine client trades. On those occasions where we do place simultaneous or near simultaneous orders for the same security, the executing bank or broker will determine the sequence of the orders, not Hemisphere. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

Hemisphere may recommend that clients establish brokerage accounts with institutions such as Schwab Institutional, Morgan Stanley, as well as others. Although we may recommend that clients establish accounts at Schwab Institutional or at Morgan Stanley, it is the client's decision to custody assets with one of them. We are independently owned and operated and not affiliated with Schwab Institutional, Morgan Stanley or any other institution that we may recommend. Many of our clients have opened accounts with one or both of these institutions, both of whom provide certain reporting and other services to us

in connection with those accounts, which may be considered "soft dollars." A detailed description of the services provided by Schwab Institutional and Morgan Stanley follows.

Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, provides Hemisphere Partners LLC with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to Hemisphere other products and services that benefit us but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. facilitate trade execution
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and
- v. assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Hemisphere. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other

arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Morgan Stanley (MS) provides Hemisphere with access to its trading and custody services, which may also be available to other MS investors. These services are not contingent upon our firm committing to them any specific amount of business (assets in custody or trading commissions). MS's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that may be only be available to high net worth clients or non-US clients.

For our client accounts maintained in its custody, MS generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through them or that settle into accounts custodied with them.

MS also makes available to Hemisphere other products and services that benefit us but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at MS.

MS's products and services that assist us in managing and administering our clients' accounts include software and other technology that

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. provide research, pricing and other market data;
- iii. assist with recordkeeping and client reporting.

In evaluating whether to recommend that clients custody their assets at MS, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by them, which may create a potential conflict of interest.

Because we only execute transactions for client accounts with the particular brokerage firm or custodian with whom the client has opened accounts, it is possible that the client will not pay the lowest commission or necessarily receive the best execution. Hemisphere cannot control these factors.

## **Item 13      Review of Accounts**

We conduct a formal review of the clients' accounts annually. Accounts are reviewed in the context of each client's Investor Profile as well as actual asset allocation vs. target weightings. The portfolios are adjusted, if required, and the client's Investor Profile is updated, if necessary.

More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. If during the year, there should there be any material change in the client's personal and/or financial

situation, we should be notified immediately to determine whether any interim review and/or revision of the client's Investor Profile is warranted.

We meet with or hold a conference call with the client on a regular basis (or as determined by the client) to informally review the account.

All accounts are jointly reviewed by Rosemarie Marino and/or Mitchell Heller.

In addition to the monthly statements and confirmations of transactions that clients receive from their custodian(s), we may provide other reports at the client's request if we agree and are able to provide the information requested, that may include bespoke calculations of year- to-date performance of the clients' account if so requested, although any performance calculations are for convenience only and will contain information regarding the method of calculation and assumptions used. We may also provide clients with copies of reports that are published by the money managers and made available to Hemisphere or other communications as to our own views on the markets.

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

We currently do not engage solicitors or pay related or non-related persons for referring potential clients to our firm. We may in the future enter into referral relationships where we agree to compensate third parties for referring potential clients to our firm. Such potential clients will be provided with a disclosure statement with respect to any such referral relationship as required by the Investment Advisers Act at or prior to time of entering into an Advisory Agreement with the firm.

As noted in Item 5 above we also do not solicit our clients for other managers or distribute fund interests or other investments for compensation. Please see Item 5 for our practices on accepting compensation from third parties and rebating them to our clients.

## **Item 15      Custody**

As we previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure, clients may elect to authorize us to directly debit our advisory fees from their accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be debited from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their fee calculation.

We do not have custody of our clients' assets or accounts, except to the extent we are deemed to have custody of certain accounts because of the ability to debit our fees.

## **Item 16      Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we

place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security and the amount of the security to buy or sell; and/or
- authority to hire and fire the selected asset manager(s)

Clients give us discretionary authority when they sign an advisory agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

We generally do not exercise discretion with respect to investments in private funds or other investments that are not held through a brokerage account. In those instances, we provide the subscription documentation to the client and the client must approve the investments and execute the subscription documentation. Following such execution, we will execute the subscription on the client's behalf.

## **Item 17      Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. When we allocate assets to separately managed accounts or independent advisers, such advisers may vote proxies related to the positions in their portfolios and have a different policy from Hemisphere's. Clients should carefully review the account opening documentation for any separately managed account and custody account for the procedures for voting proxies.

We do not offer any consulting assistance regarding proxy issues to clients.

## **Item 18      Financial Information**

We are not required to provide financial information and there are no additional financial circumstances to report. We have not been the subject of a bankruptcy petition at any time during the past ten years.