

Firm Brochure / ADV Part 2A

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Item 1. Cover Page

This brochure (Form ADV Part 2A) provides information about the qualifications and business practices of Avalor Investment AG ("Avalor Ltd"). Avalor Ltd is a registered investment advisor ("RIA") with the United States Securities and Exchange Commission (the "SEC") under the Investment Advisers Act of 1940, as amended (the "Advisers Act").

If you have any questions about the contents of this brochure, please contact us by telephone at +41 (0) 43 443 83 83 or by e-mail at info@avalor.ch.

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. Additional information about Avalor Ltd is available on the SEC's website at www.adviserinfo.sec.gov. There is no specific level of skill or training required to register as a RIA with the SEC. This Brochure provides information for U.S. clients of Avalor Ltd; most provisions of the Advisers Act and of this Brochure do not apply to Avalor Ltd's non-U.S. Clients.

Item 2. Material Changes

No material changes have been made to this brochure since the last Form of Avalor's ADV Part 2A/Brochure of March 14, 2018.

Item 3. Table of Contents

Item 1. Cover Page	1
Item 2. Material Changes	1
Item 3. Table of Contents	2
Item 4. Advisory Business	3
<i>Firm Description</i>	3
<i>Principal Owners</i>	3
<i>Services</i>	3
<i>Wrap Fee Programs</i>	4
<i>Assets under Management and Advisement</i>	4
Item 5. Fees and Compensation	4
<i>Other fees and expenses you may incur</i>	5
Item 6. Performance-Based Fees and Side-by-Side Management	6
<i>Performance Based Fee Scheme</i>	6
<i>Side-by-Side Management</i>	6
Item 7. Types of Clients	6
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	7
<i>Methods of Analysis</i>	7
<i>Investment Strategies</i>	7
<i>Types of Securities</i>	7
<i>Material Investment Risks</i>	8
Item 9. Disciplinary Information	10
Item 10. Other Financial Industry Activities and Affiliations	10
Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading	11
<i>Code of Ethics</i>	11
<i>Participation or Interest in Client Transactions</i>	12
Item 12. Brokerage Practices	12
<i>Decision Making Process; Balancing the Interests of Multiple Client Accounts</i>	14
<i>Use of Soft Dollars</i>	15
<i>Trade Errors</i>	15
Item 13. Review of Accounts	15
Item 14. Client Referrals and Other Compensation	15
Item 15. Custody	16
Item 16. Investment Discretion	16
Item 17. Voting Client Securities	16
<i>Proxy Voting</i>	16
<i>Class Actions</i>	17
Item 18. Financial Information	17

Item 4. Advisory Business

Firm Description

Avalor Investment AG (“Avalor Ltd” or “the Firm” or “we”), a Swiss corporation based in Zurich, Switzerland, provides investment advisory services to clients resident in the United States (“US”). We also serve US taxpayers or dual citizens living outside the US and clients who have no connection to the US. Avalor Ltd is a corporation organized under Swiss law in 2005.

Principal Owners

Amaury Jordan, CEO, principally owns Avalor Ltd.

Services

Avalor Ltd provides a comprehensive range of services in the areas of discretionary portfolio management and non-discretionary (advisory) management, as well as investment consolidation / reporting to high net worth and ultra-high net worth private clients and their families.

Discretionary Portfolio Management Services

Avalor Ltd offers discretionary portfolio management services to individuals, high and ultra-high net worth clients and their families who wish to have their assets fully managed by Avalor Ltd. This service includes asset allocation, investment selection, active portfolio management and portfolio rebalancing in accordance with each client's personal circumstances.

Avalor Ltd discusses a client's prior investment history, as well as family situation and background. As part of this information-gathering process, Avalor Ltd determines the client's individual investment objectives, risk tolerance, time horizon, liquidity needs and tax situation, and, taking into account these factors, develops a tailored investment policy for that client (“investment profile”).

Each client's assets are managed in a separate account (an “Account”) maintained at a third-party financial institution (custodian bank).

As part of its discretionary portfolio management service Avalor Ltd purchases and sells securities for the client's Account without prior consent of or notification to the client. Avalor Ltd determines the securities that are bought and sold for the client's Account and the total amount of the purchases and sales.

Avalor Ltd's authority may be subject to conditions imposed by individual clients as set forth and agreed upon in the asset management agreement entered into between Avalor Ltd and the client. For example, a client may restrict or prohibit transactions in certain types of securities.

Client Accounts are broadly managed in a similar manner. However, differences in each portfolio may occur due to client-specific investment objectives, risk tolerance, time horizon, liquidity needs, tax considerations, reference currency, legal restrictions and overall suitability.

Avalor Ltd's client portfolios are globally diversified across multiple asset classes. Accounts may include, without limitation: equity securities, fixed income and other debt securities, mutual funds, exchange traded funds, hedge funds, options, structured products, precious metals and other alternative investments consistent with the client's investment profile and overall suitability. For the purpose of diversification, client Accounts will hold non-dollar securities in markets outside the United States.

Whilst Avalor Ltd generally makes investments with a longer time horizon, the Firm may make changes to allocations, resulting in underweight or overweight positions, in an attempt to take advantage of short-term developments in economic conditions. When doing so, Avalor Ltd will make every attempt to

be sensitive to transaction costs and taxes, as applicable.

Avalor's advice is limited to the types of securities and transactions as set forth in Item 8.

Non-Discretionary (Advisory) Services

Non-discretionary (advisory) services are similar to discretionary portfolio management services in terms of the investment approach; however, Avalor Ltd requires client consent before effecting any securities transaction. Avalor Ltd provides portfolio advice and trading recommendations but all decisions regarding the investment of the Account reside with the client. This service is designed for clients who desire holistic management of their Account but who want to retain involvement in every investment decision. As a result, clients under this service offering may not be invested in the same manner as those clients using discretionary portfolio management services.

If explicitly required by a non-discretionary client, Avalor Ltd may implement investment ideas which do not pertain to Avalor Ltd's investment universe. Avalor Ltd will disclose to the client, if an investment idea is not part of its investment univers.

Investment Consolidation and Reporting Services

Avalor Ltd offers global consolidation and reporting services for clients with financial Accounts at more than one financial institution (including Accounts that Avalor Ltd does not manage or advise upon) for purposes of evaluating global asset exposure. Avalor Ltd will: (i) examine bank statements received at the direction of the client; (ii) prepare a consolidated statement of assets on a monthly, quarterly and/or annual basis; (iii) regularly analyze structure and performance of all individual portfolios as well as of the consolidated whole, serving as a basis for a coordinated implementation of investment policy and for the identification of possible improvements; and (iv) monitor and report on banking costs. Avalor Ltd has no authority to

advise on the Accounts it does not manage. However, Avalor Ltd may be asked by a client to comment on and provide general counselling about certain aspects of the client's overall wealth structure. For example, Avalor Ltd may, on client request, be asked to recommend wealth management specialists for its clients, possibly including other investment managers. In such cases, Avalor Ltd's recommendation will generally include a selection of several such advisors or specialists. The recommendation will strongly depend on the client's personal circumstances. The final selection is left entirely up to the client, and Avalor Ltd receives no remuneration from any person or firm that it may recommend under such circumstances.

Wrap Fee Programs

Avalor Ltd does not participate in wrap fee programs.

Assets under Management and Advisement

Avalor Ltd managed approximately US\$ 1'288 million on a discretionary basis and US\$ 256 million on a non-discretionary (advisory) basis as of December 31, 2018. In addition to this, Avalor Ltd offered consolidation and reporting services over a further US\$ 359 million as of December 31, 2018.

Item 5. Fees and Compensation

Avalor Ltd generally charges fees for its investment services as a percentage of the market value of assets under management ("AUM") or assets under advisement ("AUA"). The fee is charged quarterly in arrears. AUM or AUA is measured with reference to the last business day of the following months: February, May, August and November. The fee generally is charged in Swiss Francs. If the reference currency of the Account is different from Swiss Francs, the fees will be converted into Swiss Francs by applying the closing FX rate of the reference currency against Swiss Franc on the last business day of each February, May, August and November. The closing FX rate is based on Bloomberg or any other recognized data source deemed

appropriate by Avalor Ltd. The calculated fee is debited at the end of the respective calendar quarter (ie March, June, September and December). For Swiss and Liechtenstein residents the VAT will be invoiced in addition to the fees.

Avalor Ltd mirrors all client Accounts using software licensed from Portfolio Consulting & Services ("PC&S"), a third-party software company specializing in back- and middle-office solutions for portfolio management and investment advisory firms. Avalor Ltd generally relies on the valuations generated by PC&S to value the assets in the respective client Accounts, and Avalor Ltd computes its investment advisory fees based on these, but only after they have been verified against the valuations and Account statements provided by the respective custodian bank. At the end of the calendar quarter, Avalor arranges with the custodian bank for the direct payment of its fee from each client's Account. Account statements prepared by the custodian bank are separately delivered to the client or the client's representative, generally on a quarterly basis, allowing the client to verify the fees charged by Avalor Ltd. The statement from the custodian bank will reflect all amounts disbursed from the Account, including the amount of any fee paid to Avalor.

Avalor Ltd is a fee-only investment advisor and does not receive undisclosed remuneration from third parties in connection with its investment advisory services. Discounts, finder's fees or any other remuneration received by Avalor Ltd from third parties will be disclosed to the client and, unless otherwise agreed to in writing with the client, credited against Avalor Ltd's investment advisory fee. Avalor Ltd does not manage or advise Accounts based on commissions, subscriptions fees, or hourly rate charges.

Fees for Discretionary Portfolio Management Services and Non-Discretionary (Advisory) Services

The annual fees for discretionary portfolio management services range from 0.75% to

1.25% of AUM, depending on the size and complexity of the mandate.

The annual fees for non-discretionary (advisory) services depend on the size and complexity of the mandate, but are capped at a maximum rate of 1.50% of AUA

Fees charged by Avalor Ltd are not payable in advance. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any relationship, accrued, unpaid fees will be due and payable.

There is a minimum annual fee per Account of Swiss Francs 1'000.- (one thousand), which is equivalent to about US\$ 1'000.- at the exchange rate per December 31, 2017.

In all cases, Avalor Ltd may waive, discount or negotiate fees at its discretion. Avalor may also charge additional fees for services outside the scope of the services described above. Any additional fees are disclosed to the client.

Fees may be subject to VAT.

Fees for other Services

Investment consolidation and reporting

The annual fees for consolidation and reporting services range from 0.05% to 0.25% of consolidated assets, depending on the size and complexity of the mandate.

Here too, Avalor Ltd may waive, discount or negotiate fees at its discretion. In particular, Avalor Ltd may arrange for a consolidation / reporting mandate to be subject to a fixed, flat annual fee.

Other fees and expenses you may incur

Fees charged by Avalor Ltd do not include custodian fees, fees for trade settlement, brokerage commissions, or any other fee imposed by the custodian bank or the broker. Avalor Ltd's fees do not include management or other fees charged by funds or other

products that client Accounts may be invested in from time to time.

Item 6. Performance-Based Fees and Side-by-Side Management

Performance Based Fee Scheme

Avalor Ltd presently does not charge performance-based fees. However, Avalor Ltd may enter into performance-based fee arrangements with qualified clients in the future subject to individualized agreements with each client. To the extent Avalor Ltd enters into a performance or incentive fee arrangements, it will do so in accordance with Section 205(a)(1) of the Advisers Act and Rule 205-3. According to those rules, only clients who meet the following requirements may opt for the performance based fee scheme: (i) clients with at least \$1,000,000 under management with Avalor Ltd; (ii) clients with a net worth greater than \$2,000,000, excluding the value of the primary residence and certain debt secured by the property; or (iii) clients who are qualified purchasers under Section 2(a)(51) of the Investment Advisors Act of 1940, as amended (which generally is defined to include only individuals, companies or trusts with more than \$5,000,000 in investments). Avalor Ltd potentially can receive higher fees with a performance-based compensation structure than from those accounts that pay according to the asset-based fee schedule described above. To minimize this conflict, Avalor Ltd generally will enter into a performance-based fee arrangement upon the request of a client or in the case of specific investment performance objectives.

Side-by-Side Management

Avalor Ltd manages many client Accounts and as a result of differences in the fees charged on various Accounts, Avalor Ltd has conflicts arising from such side-by-side management of different Accounts. For example, Avalor Ltd generally manages more than one Account according to the same or a substantially similar investment strategy and yet has a different fee schedule applicable to such Accounts as a result of the respective clients' AUM with

Avalor Ltd or a client's election to compensate Avalor Ltd on a performance basis.

Side-by-side management of different types of Accounts may raise conflicts of interest when two or more Accounts invest in the same securities or pursue a similar although not identical strategy. These potential conflicts include the favorable or preferential treatment of an Account or a group of Accounts, conflicts related to the allocation of investment opportunities, particularly with respect to securities that have limited availability, such as initial public offerings, and transactions in one Account that closely follow related transactions in a different Account. In addition, the results of the investment activities for one Account may differ significantly from the results achieved for other Accounts, particularly if Avalor Ltd individually tailors clients' Accounts.

Avalor Ltd has policies and procedures in place aimed to ensure that all client Accounts are treated fairly and equitably. Avalor Ltd strives to equitably allocate investment opportunities among relevant Accounts over time. In addition, investment decisions for each Account are made with specific reference to the individual needs and objectives of the Account. Accordingly, Avalor Ltd may give advice or exercise investment responsibility or take other actions for some clients (including related persons) that may differ from the advice given, or the timing and nature of actions taken, for other clients. Investment results for different Accounts, including Accounts that are generally managed in a similar style, also may differ as a result of these considerations. Some clients may not participate at all in some investments in which other clients participate, or may participate to a different degree or at a different time.

Item 7. Types of Clients

Avalor Ltd offers investment management services to high and ultra-high net worth individuals and their families, as well as to such foundations, trusts, estates, holding companies or other estate planning structures which they may have established.

In addition to serving US resident clients, Avalor Ltd provides its services to non-US resident clients. The provisions of the Advisers Act do not apply to the management services provided by Avalor Ltd to these non-US clients. This brochure describes only the service offering to US persons as defined under SEC Rule 902.

Generally, Avalor Ltd seeks client relationships with a minimum of \$1,000,000 of AUM. Avalor Ltd may accept Accounts below the minimum requirements, and will retain Accounts that have dropped below the minimum requirement due to market fluctuation or investment performance. Related Accounts can be aggregated.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Avalor Ltd invests using a long-only investment approach aimed at generating sustainable, long-term results, where capital preservation is as important as capital growth. Avalor Ltd invests based on its views of market trends, which are reflected in the asset allocations implemented in its discretionary mandates. Avalor Ltd manages assets by using a top-down, macro-economic analysis in combination with bottom-up, specific security selection. Generally, Avalor Ltd seeks to maintain broad diversification across countries, industries, company size, long-term themes and short term opportunities.

Investment Strategies

Avalor Ltd generally builds client portfolios within the parameters of the following four investment strategies, which serve as the basis for tailor-made portfolios. Each client's specific portfolio will differ based on his/her unique situation and objectives within the parameters of the selected strategy.

Investment Profile	Investment Classes	Max. part in %
Fixed Income	Money market and bonds	100
Income	Money market and bonds Shares and products with an equity character	100 45
Capital Growth	Money market and bonds Shares and products with an equity character	100 70
Equities	Money market and bonds Shares and products with an equity character	100 100

Types of Securities

Avalor Ltd offers asset management and advisory services on the following types of securities and transactions: exchange-listed securities, securities traded over-the-counter, securities issued by non-US issuers, corporate debt securities (and other commercial paper), certificates of deposit, investment company securities such as mutual funds, U.S. or foreign government securities, exchange traded funds, foreign exchange transactions, certain derivatives or structured products, options, alternative investments, precious metals and in certain cases private fund investments. Some of these securities, particularly those issued outside of the US, may not be registered with the SEC. In discretionary mandates, Avalor Ltd is able to invest clients in securities offered outside the US to non-US investors in reliance on Regulation S under the Securities Act of 1933.

Investments in private funds or structured products may be limited to "accredited investors" or "qualified purchasers," and may require investors to lock-up their assets for a period of time. These investments may have limited or no liquidity and they may involve risks different from those incurred when investing in registered funds and other publicly offered and traded securities. In discretionary

mandates, Avalor Ltd may invest client Accounts in such securities without client consent. Avalor Ltd relies on the valuation and performance data provided directly from the private funds. Private funds may often be delayed in providing Avalor Ltd with the valuation information; therefore, Avalor Ltd may likewise be delayed in reporting this information to the client.

Avalor Ltd will rely on the accuracy of a client's representations in making corresponding representations regarding the investment restrictions on behalf of a client's Account in connection with certain derivative, private fund or other similar investments with qualification restrictions. Avalor Ltd requires notification by the client if the client's representations become inaccurate.

In certain cases Avalor Ltd may recommend and invest in real estate securities. Avalor Ltd does not invest directly in real estate.

Material Investment Risks

Clients should bear in mind that investing in securities involves a risk of loss. Clients should be prepared to bear the risk of losing their investment in securities. Past performance is not an indication as to future results.

Among other risks, all investments made by Avalor Ltd will be subject to market risk, liquidity risk, and interest rate risk, and may be subject to credit and counterparty risk, risk in fluctuations of commodity pricing, risk of loss due to political and economic developments in foreign markets, and risks involving movements in the currency markets.

Market Risk. Market risk refers to the risk of loss arising from general economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws and national and international political circumstances. Each Account is subject to market risk, which will affect volatility of securities prices and liquidity. Such volatility or

illiquidity could impair profitability or result in losses.

Risk Related to Equity Investments. Investments in equity securities generally involve a high degree of risk. Prices are volatile and market movements are difficult to predict. These price movements may result from factors affecting individual companies or industries. Price changes may be temporary or last for extended periods. The value of specific equity investments generally correlates to the fundamentals of each particular security, but prices of equity investments may raise or fall regardless of fundamentals due to movements in securities markets.

Risks Related to Fixed Income Investments. Investments in fixed income securities (i.e., bills, notes, bonds, preferred, convertibles, ETFs and funds) involve a number of risks such as credit, interest rate, reinvestment, and prepayment risk, all of which affect the value of the security and volatility of such value. In general, fixed income securities with longer maturities are more volatile. Additionally, the prices of below investment grade (lower credit quality) securities fluctuate more than those of investment grade issues. Prices are sensitive to developments affecting the company's business and to changes in the ratings assigned by rating agencies. Prices are often closely linked with the company's stock prices. High yield securities can experience sudden and sharp price swings due to changes in economic conditions, stock market activity, large sales by major investors, default, or other factors. Developments in the credit market may have a substantial impact on the companies invested in and will affect the success of such investments. In the event of a default, the investment may suffer a partial or total loss.

Risks Related to Investments in Funds. For purposes of this discussion, the term "Fund" includes, but is not limited to, a US or non-US unit investment trusts, open-end and closed-end mutual funds, hedge funds, private equity funds, venture capital funds, real estate investment trusts, exchange traded funds

("ETFs") and any other private alternative or investment fund. Investments in Funds carry risks associated with the particular Fund. Each Fund and the respective manager will charge their own management and other fees, which will result in a Client bearing an additional level of fees and expenses. US mutual funds generally must distribute all gains to investors, including investors who may not have an economic gain from investing in the fund, which can lead to negative tax effects on investors, particularly non-US persons. Investments in certain non-US funds by US persons result in US tax and reporting obligations and failing to comply with such requirements can result in significant penalties. Funds generally have unique risks of loss as described in their offering documents. Funds can make use of leverage to enhance returns, which increases both volatility and interest rate risk and raises the risk of default. Certain Funds invest in derivatives, which can raise specific counter-party risks. Funds that are not traded can have illiquidity and valuation risks resulting in the inability to redeem or sell the Fund on demand. See the discussion below relating to risks in structured products and derivatives for more information on the risks of investing in Funds.

Risks related to Structured Products & Derivatives.

Avalor Ltd may invest in structured products or derivatives or invest in Funds that hold investments in structured products or derivatives. In addition to the risks that apply to all investments in securities, investing and engaging in derivative instruments and transactions may involve different types of risk and possibly greater levels of risk. These risks include, but are not limited to the following:

a. *Leverage.* Certain investment instruments such as derivatives may use leverage to achieve returns. The use of leverage may have the effect of disproportionately increasing an Account's exposure to the market for the securities or other assets underlying the derivative position and the sensitivity of an Account's portfolio to changes in market prices for those assets.

Leverage will tend to magnify both the positive impact of successful investment decisions and the negative impact of unsuccessful investment decisions by Avalor Ltd on an Account's performance.

b. *Counterparty Credit Risk.* When a derivative is purchased, a client's Account will be subject to the ability and willingness of the other party to the contract ("counterparty") to perform its obligations under the contract. Although exchange-traded futures and options contracts are generally backed by a guarantee from a clearing corporation, an Account could lose the benefit of a contract in the unlikely event that the clearing corporation becomes insolvent. The counterparty's obligations under a forward contract, over-the-counter option, swap or other over-the-counter derivative contract are not so guaranteed. If the counterparty to an over-the-counter contract fails to perform its obligations, an Account may lose the benefit of the contract and may have difficulty reclaiming any collateral that the Account may have deposited with the counterparty.

c. *Lack of Correlation.* The market value of a derivative position may correlate imperfectly with the market price of the asset underlying the derivative position. To the extent that a derivative position is being used to hedge against changes in the value of assets in an Account, a lack of price correlation between the derivative position and the hedged asset may result in an Account's assets being incompletely hedged or not completely offsetting price changes in the derivative position.

d. *Illiquidity.* Over-the-counter derivative contracts are usually subject to restrictions on transfer, and there is generally no liquid market for these contracts. Although it is often possible to negotiate the termination of an over-the-counter contract or enter into an offsetting contract, a counterparty may be unable or unwilling to terminate a contract with an Account, especially during times of market instability or disruption.

The markets for many exchange-traded futures, options and other instruments are quite liquid during normal market conditions, but this liquidity may disappear during times of market instability or disruption.

- e. *Less Accurate Valuation.* The absence of a liquid market for over-the-counter derivatives increases the likelihood that Avalor Ltd will not be able to correctly value these investments.

Risks Relating to Foreign Currency Exposure.

Accounts managed by Avalor Ltd are routinely subject to foreign currency risks and bear a potential risk of loss arising from fluctuations in value between the US Dollar and such other currencies. Avalor Ltd invests in securities and other investments that are denominated in currencies other than US Dollars. Some client's Accounts may hold significant non-dollar cash positions. Accordingly, the value of such assets may be affected favorably or unfavorably by fluctuations in currency rates. Often clients are seeking this foreign currency exposure. Thus, Avalor Ltd generally does not seek to hedge the foreign currency exposure. Even to the extent that Avalor Ltd does seek to hedge the foreign currency exposure, such hedging strategies may not necessarily be available or effective.

Non-U.S. Investments. Investments in non-US securities expose a client's Account to a number of risks not always evident in US markets. Such risks include, among other things, trade balances and imbalances, economic policies of various foreign governments, exchange control regulations, withholding taxes, potential for nationalization of assets or industries, and political instability.

Risks Related to Precious Metals Accounts & Physical Precious Metals. Precious metal accounts and investments in physical precious metals offered by custodian banks present special investment risks. These metal accounts generally are notated with reference to the market price of the respective precious metal as determined by the respective

custodian bank. The value of precious metals is volatile and generally based on the current spot or market price of the particular metal. The value of precious metals is driven by a variety of factors on a global basis including, among other factors, industrial demand, market supply, and investor demand. Metals should not be perceived as safer investments but rather as an asset class that also is speculative and volatile. Unless specifically agreed by the custodian bank, a precious metal account generally does not represent a right to convert to physical delivery and as such, generally there is a counterparty risk based on the financial strength and solvency of the custodian bank to pay the monetary equivalent of the notated value in the precious metal account. Alternatively, in the case of non-segregated physical holdings, there are other risks including the potential inability for the custodian bank to deliver the physical metal timely and liquidity risks associated with taking physical delivery of precious metals. Clients should see the specific risk disclosures issued by the custodian bank relating to precious metal accounts and physical precious metals.

Avalor Ltd generally provides all new clients with a copy of "*Special Risks in Securities Trading*" published by the Swiss Bankers Association.

Item 9. Disciplinary Information

Avalor Ltd has not been involved in any legal or disciplinary events.

Item 10. Other Financial Industry Activities and Affiliations

Avalor Ltd management personnel are neither registered, nor have an application pending to register as, broker-dealers, registered representatives of a broker-dealer, future commissions merchants, commodity pool operators, commodity trading advisors, or associated persons of the foregoing entities.

While Avalor Ltd is not directly registered with or regulated by FINMA, the Firm is a member of the Swiss Association of Asset Managers

("SAAM"), which is organized under private law as an Association under the terms of Art. 60 et seq. of the Swiss Civil Code ("SCC"). Established in 1986, SAAM is the leading self-regulatory organization ("SRO") for asset managers in Switzerland, and since 1999 is recognized and monitored by the Federal Financial Market Supervisory Authority ("FINMA") of Switzerland. SAAM issues rules of professional conduct for its member firms and enforces an annual audit of its members for compliance with all provisions of the Anti-Money Laundering Act ("AMLA").

Avalor Ltd serves as an adviser to the AV Global Opportunities Fund and receives compensation for that service. The fund is not registered in the US and is not offered for sale in the US. Avalor Ltd does not believe this fund constitutes a "private fund" within the meaning of Item 7.B of Form ADV Part 1A due to the fact that this fund is not subject to the Investment Company Act of 1940, given that it operates exclusively outside the U.S. and is not offered to US residents.

Amaury Jordan is a non-executive board member of TriLake Partners Pte Ltd, an investment advisor organized and registered in Singapore, under Singapore law.

We believe that this does not represent a conflict of interest, as TriLake Partners Pte Ltd operates exclusively outside of the United States, and as there is no common control between Avalor Ltd and TriLake Partners Pte Ltd.

Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading

Avalor Ltd seeks to minimize conflicts of interest and resolve those conflicts of interests in favor of its clients to the extent it determines reasonable and necessary in accordance with its Code of Ethics.

Code of Ethics

Avalor Ltd treats all clients equitably and has a duty to act in its clients' best interests. Except as otherwise described in this brochure, the

interests of clients will be placed above Avalor Ltd's interests in case of any conflict. Avalor Ltd has adopted a Code of Ethics (the "Code") and maintains a written policy covering General Principles of Professional Conduct. Covered in this policy are procedures governing personal securities transactions by Avalor Ltd and its personnel. The Code also provides guidance and instruction to Avalor Ltd and its personnel on their ethical obligations in fulfilling their duties of loyalty, fairness and good faith towards the Firm's clients.

The overriding principle of Avalor Ltd's Code of Ethics is that all employees of Avalor Ltd owe a fiduciary duty to clients for whom Avalor Ltd acts as investment adviser or sub-adviser. Accordingly, employees of Avalor Ltd are responsible for conducting personal trading activities in a manner that does not interfere with a client's portfolio transactions or take improper advantage of a relationship with any client.

The Code contains provisions designed to try to: (i) prevent, among other things, improper trading by Avalor Ltd's employees; (ii) identify conflicts of interest; and (iii) provide a means to resolve any actual or potential conflicts of interest in favor of the clients. The Code attempts to accomplish these objectives by, among other things: (i) requiring pre-clearance of specific trades, which includes documenting any exceptions to such pre-clearance requirement; (ii) restricting trading in certain securities that may cause a conflict of interest, as well as (iii) periodic reporting regarding transactions and holdings of employees.

The Code contains sections including, but not limited to, the following key areas: (i) restrictions on personal investing activities; (ii) gifts and business entertainment; and (iii) outside business activities.

The Code also provides for Avalor Ltd's execution of supervisory policies and procedures, and the review and enforcement processes of such policies and procedures. Avalor Ltd has designated a Chief Compliance Officer responsible for maintaining, reviewing

and enforcing Avalor Ltd's Code of Ethics and corresponding policies and procedures.

The fundamental position of Avalor Ltd is that, in effecting personal securities transactions, personnel of Avalor Ltd must at all times place the interests of clients ahead of their own pecuniary interests. All personal securities transactions by these persons must be conducted in accordance with the Code of Ethics and in a manner to avoid any actual or potential conflict of interest or any abuse of any person's position of trust and responsibility. Further, these persons should not take inappropriate advantage of their positions with or on behalf of a client.

If a person subject to the Code of Ethics fails to comply with the Code, such person may be subject to sanctions, which may include warnings, disgorgement of profits, restrictions on future personal trading, and, in the most severe cases, the possibility of dismissal.

Avalor Ltd will provide a copy of its General Principles of Professional Conduct to any client or prospective client upon request.

Participation or Interest in Client Transactions

Although Avalor Ltd does not hold proprietary positions, Avalor Ltd's related persons may own, buy, or sell for themselves the same securities that they or Avalor Ltd have recommended to clients. Thus, from time to time, a client Account may purchase or hold a security in which a related person of Avalor Ltd has financial interest or an ownership position, or a related person may purchase a security that is held in a client Account.

Also from time to time, Avalor Ltd employees or related persons may invest alongside the Firm's clients, both to align the interest of Firm and personnel and Firm clients and as an expression of confidence in our investment management efforts. In order to ensure that Avalor personnel never trade ahead of their clients, Avalor Ltd requires all trading in specific positions for officer and employee accounts to come after the analogous trades are executed for client Accounts. Firm

personnel communicate freely and frequently among themselves in order to ensure the application of these fundamental restrictions.

Item 12. Brokerage Practices

All of Avalor Ltd's clients already have existing Accounts or open new Accounts at custodial banks in Switzerland or elsewhere. Each client is responsible for selecting the bank which will hold his or her Account. While Avalor Ltd does not select custodial banks on a client's behalf, we encourage clients to use such banking custodians as are familiar with and have systems compatible with all US regulatory and operational requirements.

Each custodian bank has its own policies and procedures relating to brokerage. Generally, the custodial bank requires Avalor Ltd to route securities orders through the trading desk of the bank. In such cases Avalor Ltd will not have discretion in selecting the broker-dealer and the client should be aware of the incumbent risks associated with such arrangement. In cases where the custodial bank will settle with third-party broker-dealers, then Avalor Ltd will select the broker-dealer as described in this Item 12. In such cases, the Swiss custodian bank will settle trades with delivery-against-payment model.

Avalor Selection of Broker-Dealers

When the custodian bank permits Avalor Ltd to select the broker-dealer, Avalor Ltd will route securities orders to purchase and sell securities for those client Accounts held at the bank to independent brokers and dealers.

In selecting brokers and dealers to effect client transactions, Avalor Ltd attempts to obtain for clients: (i) the prompt execution of client transactions while market conditions still favor the transaction and (ii) the most favorable net prices reasonably obtainable. This is called "best execution." In placing orders to purchase and sell equity securities, Avalor Ltd selects brokers that it believes will provide the best overall qualitative execution given the particular circumstances. A broker may provide more favorable terms and a higher

quality of service to customers who place a higher volume of transactions through that broker. Accordingly, to obtain the benefits of higher volume trading for clients, Avalor Ltd may place a large portion of client equity transactions through a limited number of brokers that meet the Firm's quality standards. When selecting a new equity broker, Avalor Ltd conducts a due diligence review of the broker to evaluate whether the broker is likely to provide best execution. Avalor Ltd may consider any of the following factors:

- The ability of the custodian bank to settle transactions with the broker.
- The quality of services provided (including commissions, which may not be the lowest available but which ordinarily will not be higher than the generally prevailing competitive range).
- The extent of coverage of the various markets Avalor Ltd trades in.
- The broker's ability to communicate effectively with Avalor Ltd.
- The broker's ability to execute and settle difficult trades.
- Whether or not the broker offers lower cost electronic trading.
- The broker's clearance and settlement efficiency.
- Whether or not the broker can handle Avalor Ltd's range of order sizes.
- The broker's ability to maintain confidentiality and anonymity.
- The reputation of the broker.
- The stability and financial strength of the broker.

Due to the fact Avalor Ltd is based in Switzerland and many of the securities purchased are non-US securities, the brokers used by Avalor Ltd may not be registered with the SEC under the US Securities Exchange Act of 1934, as amended (the "Exchange Act").

Avalor Ltd's Chief Compliance Officer reviews the due diligence performed and approves or rejects the selection of each broker. On a regular basis, Avalor Ltd monitors the services provided by the approved brokers, the quality of executions and research, commission rates, the overall brokerage relationship, and any

other issues. Avalor Ltd will periodically reconsider whether placing a large portion of client trades through a particular broker continues to be in the best interest of our clients.

Custodian Bank Selection of Broker-Dealers

Brokerage for transactions involving assets held at Swiss custodian banks generally must be made through the broker-dealer specified by the custodian bank and Avalor Ltd will have no ability to select the broker-dealer. In most cases, Swiss custodian banks act as a broker-dealer and/or maintain relationships with designated broker-dealers (including potentially an affiliate of the custodian bank). If required by the custodian bank, Avalor Ltd effects security transactions through the custodian bank or the broker or dealer designated by the custodian bank selected by the client. In such cases, Avalor Ltd cannot guarantee that the client will receive best execution or the best commissions because Avalor Ltd does not control these factors. Clients should be aware of the potential that the broker-dealer used for transactions may not be a registered broker-dealer under the Exchange Act.

Clients also should be aware of the following disadvantages associated with Avalor Ltd not having the ability to select the broker-dealer:

- Clients are solely responsible for negotiating the commission rates and fees paid to the Swiss custodian bank where such custodian bank requires Avalor Ltd to trade through its broker-dealer. Avalor Ltd will not be able to negotiate commission rates with the designated broker, and the Firm will not have any negotiating leverage that results from the ability to trade away from a designated broker.
- Clients may pay higher commission rates than those paid by other clients whose trades are placed with a broker-dealer chosen by Avalor Ltd, may receive less favorable trade executions, and/or may not obtain best execution on their transactions.
- Accounts will not be able to participate in aggregated or block transactions with other

clients who maintain their Accounts at other custodian banks. This can limit the ability to benefit from volume discounts or more favorable terms that might be available from aggregated transactions.

Client-Directed Brokerage

Generally, Avalor Ltd does not permit clients to direct brokerage other than as outlined above in the context of a custodian bank selected by the client that requires the use of a specified broker-dealer.

Block Trades

Avalor Ltd generally will combine orders into block trades when purchasing the same security for multiple client Accounts. Such aggregated orders ("block trades") will be pre-allocated among the participating client Accounts. When selecting the participating Accounts a variety of factors such as suitability, investment objectives and strategy, risk tolerance and / or the ability to invest additional funds will be taken into consideration. In determining the portion for each participating Account further factors such as Account size, diversification, asset allocation and position weightings as well as any other appropriate factors might be of relevance. Participating Accounts in a block trade placed with the same broker or the same custodian bank generally will receive an average price and transaction costs will be shared on a proportionate basis and as determined in the agreement with the custodian. This can either be a sharing on a pro rata basis, or covered with a "ticket fee", or based on the implemented degression model, whereas costs decrease in relation to the purchased quantity and include the application of a minimum rate, when shared costs are below a defined amount. Partial fills of transactions will be allocated on a pro rata share basis.

Because Avalor Ltd's clients maintain Accounts at different custodian banks and because many of these custodian banks mandate the use of a specific broker (see description above), often Avalor Ltd places more than one block trade for the same

security with more than one broker. Avalor Ltd transmits such block trades to more than one broker in a random pattern (*i.e.*, Avalor Ltd does not favor one custodian bank or broker over another with respect to the order in which block trade orders are sent). The average price realized on a securities order placed with different brokers will vary broker to broker, and clients generally will receive different average prices and transaction costs for the same security order depending upon the custodian bank and the respective broker used in the block trade. Also note, since most Swiss custodian banks warehouse securities orders until filled, there may be delays in settlement between client Accounts depending on the practice of the respective custodian bank and/or broker.

Decision Making Process; Balancing the Interests of Multiple Client Accounts

In making the decision as to which securities are to be purchased or sold and the amounts thereof, Avalor Ltd is guided by the investment profile defined at the inception of the adviser-client relationship in cooperation with the client, and by periodic internal reviews of the asset allocation. The investment profile covers such matters as the relative proportion of debt and equity securities to be held in the Account, the degree of risk that the client wishes to assume and the types and amounts of securities to be held in the Account. Avalor Ltd's authority may be further limited by specific instructions from the client, which may restrict or prohibit transactions in certain securities.

Avalor Ltd may manage numerous Accounts with similar or identical investment objectives or may manage Accounts with different objectives that may trade in the same securities. Despite such similarities, portfolio decisions relating to client investments and the performance resulting from such decisions may differ from client to client. Avalor Ltd will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible clients, particularly if different clients have selected different investment profiles, have materially different amounts of capital under

management with Avalor Ltd or different amounts of investable cash available. In certain instances such as purchases of less liquid publicly traded securities or oversubscribed public offerings, it may not be possible or feasible to allocate a transaction pro rata to all eligible clients, especially if clients have materially different sized portfolios. Therefore, not all clients will necessarily participate in the same investment opportunities or participate on the same basis.

Use of Soft Dollars

Avalor Ltd may maintain soft dollar arrangements, and to the extent it does it will only do so in accordance with the conditions of the safe harbor provided by Section 28(e) of the Exchange Act. Section 28(e) is a “safe harbor” that permits an investment manager to use brokerage commissions or “soft dollars” to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process.

Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants’ advice on portfolio strategy; data services (including services providing market data, company financial data, certain valuation and pricing data and economic data); and advice from brokers on order execution.

Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions;

routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

Trade Errors

Although Avalor Ltd’s goal is to execute trades seamlessly in the manner intended by the client and consistent with its investment decisions, Avalor Ltd recognizes that errors can occur for a variety of reasons. Avalor Ltd’s policy in dealing with such errors is to:

- Identify any errors in a timely manner.
- Correct all errors so that any affected Account is placed in the same position it would have been in had the error not occurred.
- Incur all costs associated with correcting an error (or to pass the costs on to the broker, depending on which party is at fault). Costs from corrective actions are not to be passed on to a client.
- Avalor Ltd may, in accordance with the client, offset a loss and all associated costs against the management or investment advisory fees it charges,
- Evaluate how the error occurred and assess if any changes in any processes are warranted or if any continuing education is required.

The consequences and the required corrective measures may be different depending upon the nature of the error or the Account affected.

Item 13. Review of Accounts

All Accounts are reviewed regularly by the Client Advisors in an effort to ensure that they remain aligned with the client’s investment profile and are positioned appropriately given current market conditions as part of Avalor Ltd’s general investment process.

Item 14. Client Referrals and Other Compensation

Avalor is a fee-only adviser. Avalor Ltd’s policy is not to accept compensation from third

parties relating to the investment advice it gives to its clients. To the extent Avalor Ltd receives a referral fee for an investment it recommends, it will reduce the fees owed by the respective client to Avalor Ltd or will credit the respective client's Account for the applicable amount. For these purposes, referral fees include marketing fees, discounts, finder's fees, service fees, including shareholder service fees, referral fees, 12b-1 fees or bonus commissions paid by mutual funds, privately offered funds, insurance products, variable annuities or other investment products paid to Avalor Ltd for recommending an investment, for investing client funds in such product or for marketing assistance or the performance of certain administrative tasks associated with making an investment.

Avalor Ltd may pay third parties for client referrals. Such arrangements comply with the conditions and requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940.

Avalor Ltd's employees or associated persons may be invited to attend seminars and meetings with the costs associated with such meetings borne by a sponsoring brokerage firm or other party extending the invitation.

Item 15. Custody

Avalor Ltd typically is given authority to have its fees directly deducted from a client's Account. Consequently, Avalor Ltd is deemed to have custody of such funds. Avalor Ltd has established procedures to ensure the client's Account is held at a qualified custodian in a separate Account for each client. The client establishes the bank Account directly and therefore is aware of the qualified custodian's name, address and the manner in which investments are maintained. Account statements are prepared by the custodian bank and delivered directly to the client or the client's representative, generally on a quarterly basis. Generally, these statements include a listing of all valuations and all transactions occurring during the period. Clients should carefully review these statements and compare them with those received from Avalor Ltd and, when

they have questions contact either Avalor Ltd or the custodian bank. The custodian also generally provides the client with required year-end tax information.

Item 16. Investment Discretion

Avalor Ltd accepts discretionary authority to manage client Accounts as described above. Clients rarely restrict the authority by which Avalor Ltd may act; however, each client has the opportunity to communicate any form of limitation in writing. In the context of a discretionary mandate, Avalor Ltd makes investment decisions without consulting the client by utilizing its limited power of attorney for the management of the Account maintained at the custodian bank selected by the client. In the context of a non-discretionary (advisory) mandate, Avalor Ltd's investment discretion is limited to an advisory role and Avalor Ltd does not implement investment decisions without the approval of the client. In no case does Avalor Ltd have discretionary authority to select a qualified custodian for a client's Account.

Item 17. Voting Client Securities

Proxy Voting

Avalor Ltd generally does not have the authority to vote client proxies. Clients make arrangements directly with their custodian to vote proxies for securities or where proxy or other solicitation materials have to be sent to. If Avalor Ltd inadvertently receives any proxy materials on behalf of a client, Avalor Ltd will promptly forward such materials to the client.

Avalor Ltd will exercise investment authority for certain corporate actions (such as, but not limited to tenders, rights offerings, splits etc.) in connection with discretionary Accounts. For advisory clients, corporate actions are discussed with them prior to the event taking place.

Clients who have questions about proxies may contact Avalor Ltd for further information.

Class Actions

Avalor Ltd does not direct client participation in class action lawsuits. Avalor Ltd will determine whether to return any documentation inadvertently received regarding clients' participation in class actions to the sender, or to forward such information to the appropriate clients.

Avalor Ltd will not advise or act on behalf of clients in any legal proceeding, including bankruptcies or securities shareholder class action litigation involving securities held or previously held in client Accounts. Accordingly, Avalor Ltd is not responsible for responding to, or forwarding to clients, any class action settlement offers relating to securities currently or previously held in the client Account.

Item 18. Financial Information

Avalor Ltd has not been the subject of a bankruptcy petition at any time. As of the date of this brochure we do not believe it is reasonably likely that any future liability will impact our ability to meet our contractual commitments to our clients.