

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

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**This brochure provides information about the qualifications and business practices of BigSur Wealth Management, LLC (hereinafter “BWM” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (305) 740-6777 or at [rafael.iribarren@bigsurpartners.com](mailto:rafael.iribarren@bigsurpartners.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.**

**Additional information about BWM 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. The CRD number for BWM is 146511. Registration with the Securities and Exchange Commission does not imply any level of skill or training.**

## **Item 2. Summary of Material Changes**

On July 21, 2010, the U. S. Securities and Exchange Commission (the "SEC") unanimously adopted changes to Form ADV, Part II. All fifty states have also adopted the new format, with some additional state-specific disclosures mandated. The new Part 2, also known as the "Brochure" has 18 separate items that our firm must address (19 for state-registered advisers), each of which requires disclosure on a distinct topic, and answers must be presented in the order of the items in the form, using the headings in the form. Our goal is to provide you with easy-to-understand "plain-English disclosure," using an easy-to-read format and definite, concrete, everyday words.

Our current (updated) Form ADV, Part 2 will be available to our existing and prospective clients 24 hours a day through the Investment Adviser Public Disclosure website. Additionally, we will annually and within 120 days of the end of our fiscal year, provide you either: (i) a copy of our Form ADV, Part 2 that includes or is accompanied by a summary of material changes; or (ii) a summary of material changes that includes an offer to provide a copy of the current Form ADV, Part 2. We urge you to carefully review all subsequent summaries of material changes, as they will contain important information about any significant changes to our advisory services, fee structure, business practices, conflicts of interest, and disciplinary history.

**Item 3. Table of Contents**

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#### **Item 4. Advisory Business**

BWM is a fee-based SEC-registered investment adviser with its principal place of business located in Miami, Florida. We have been in business since 2007, with BigSur Partners, LLC (hereinafter, “BSP”) as the sole direct owner and with Ignacio Gabriel Pakciarz and Rafael Maria Iribarren as indirect owners and Managers of the firm.

Discretionary assets under our firm’s management were \$ 193,168,095 as of December 31, 2010.

Non-discretionary assets under our firm’s management were \$22,838,203 as of December 31, 2010.

We consult clients on additional \$110,904,672.

Our firm offers the following advisory services to our clients:

##### Portfolio Management and Portfolio Consulting Services

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy statement (“IPS”) and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client’s individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client’s prior investment history, as well as family composition and background.

We will manage advisory accounts on a discretionary or non-discretionary basis, as agreed with each client. We may also provide Portfolio Consulting Services where the client will retain the ultimate responsibility for the implementation of any or all of our recommendations. Portfolio Consulting assets are not counted as our firm’s assets under management. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Based on the overall management style selected by the client, we will allocate the client's assets among one or more third-party investment advisers, hedge funds and other private funds, mutual funds, individual securities such as exchange traded funds, bonds, stocks and other investment products. Portfolio weighting among third-party investment advisers, other investments and market sectors will be determined by each client's individual needs and circumstances.

As part of this service, we perform professional management searches of various unaffiliated investment advisers and determine which adviser(s) management style is appropriate to each of the asset categories in the client's targeted asset allocation. Factors we consider in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy and particular niche of the selected investment adviser(s). Clients should refer to the selected investment adviser(s) disclosure document(s) for a full description of the services offered. Once we determine which selected investment adviser(s) are most appropriate for the client, we will, as necessary, provide the selected investment adviser(s) with the client's IPS. Each selected investment adviser will then create and directly manage an account with the portion of the client's assets allocated to them while our firm monitors their performance.

Under our Portfolio Management services, if we determine at any point that a particular selected investment adviser is not providing satisfactory management services to the client, or is not managing the client's portfolio in a manner consistent with the client's IPS, we will remove the client's assets from that adviser and place the client's assets with another investment adviser at our discretion. As such, our firm requests that the client grant the firm the authority to hire and fire the selected investment advisers on the client's behalf and to move funds among them, as appropriate.

Under our Portfolio Consulting services, if we believe that a particular independent adviser is performing inadequately, or if we believe that a different manager is more suitable for a client's particular needs, then we will suggest that the client contract with a different adviser. Under this scenario, our firm will assist the client in selecting a new adviser, and then monitor that adviser's performance. However, any move to a new manager is solely at the discretion of the client.

Our firm will conduct or review appropriate due diligence prepared by third parties on all independent advisers, making reasonable inquiries into their portfolio management and compliance practices.

### Services in General

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will primarily include advice regarding the following instruments:

- No-load or load-waived mutual funds
- Exchange-traded funds (ETFs)
- Investment in private placement offerings and/or limited investment partnerships, such as, hedge funds and other pooled investment partnerships
- Equity securities
- Corporate debt securities
- Foreign issuer securities

Occasionally, client portfolio holdings may also include the following instruments:

- Option contracts on securities
- United States governmental securities
- Commercial paper
- Certificates of deposit
- Municipal securities

We tailor all of our investment recommendations to the individual needs of each client. All consulting recommendations are based on information gathered through client questionnaires, telephone, electronic and in-person discussions.

## **Item 5. Fees and Compensation**

### Portfolio Management/Portfolio Consulting Services

We use the same fee structure for Portfolio Management Services and Portfolio Consulting services. Our fee schedule below is based on a percentage of assets under management or consultation, as appropriate (hereinafter the Management/Consultation Fee) plus an annual incentive fee (hereinafter the "Incentive Fee").

### Management/Consultation Fee

We will charge the Management/Consultation Fee as a percentage of assets under management or consultation, ranging from 0.50% to 1.00%, based on the complexity of the client's individual portfolio and the size of the client's portfolio. We will quote an exact percentage to each client based on both the complexity and total dollar value of that account.

### Incentive/Performance Fee

At the end of each calendar year, our firm will be entitled to an incentive fee of up to 20% of a client's account performance above a threshold specified in the executed investment advisory agreement and calculated in accordance with the formula specified in the executed investment advisory agreement.

Clients who elect to terminate their contracts will be charged an incentive fee based on the performance of the account for the measuring period going back from the termination date and pro-rated from the date on which the incentive fee was last assessed.

### Fees in General

Typically we will directly invoice clients for our Management/Consultation fees in arrears or in advance (as agreed with each client). At times, we may directly debit client fees from their custodial account(s), if so desired by the client.

Fees and account minimums for all services are negotiable based upon certain criteria

(i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). Discounts, not generally available to our advisory clients, may be offered to family members of our staff.

We may group certain related client accounts for the purposes of determining the account size and/or annualized fee.

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered.

#### Account Termination

Clients will have a period of five (5) business days from the date of signing the agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, the client may terminate the agreement by providing us with a written notice ranging from 5 to 30 days, depending on the terms of each advisory agreement, at our principal place of business. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Mutual Fund and ETF Fees and Expenses: All fees paid to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund or and ETF directly, without the services of our firm. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which mutual fund or funds or ETFs are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and ETFs and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

#### Brokerage and Custodian Fees

In addition to advisory fees paid to our firm, clients will also be responsible for all transaction, brokerage, and custodian fees incurred as part of their account management. Please see Item 12 of this Brochure for important disclosures regarding our brokerage practices.

#### Third-Party Manager Fees

Our fee is in addition to the fees charged by selected third party investment advisers for the portion of the client's account under each adviser's direct management. Clients should refer to the selected registered investment adviser's disclosure document (Part 2 of Form

ADV or other disclosure document in lieu of Part 2) for information regarding the advisory fees charged.

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

As we disclosed in Item 5 of this Brochure, our firm accepts a performance-based fee from certain clients. Such a performance-based fee is calculated based on a share of capital gains on or capital appreciation of the assets of the account. Prior to September 19, 2011, to qualify for a performance-based fee arrangement, a client had to either demonstrate a net worth of at least \$1,500,000 or have had at least \$750,000 under management immediately after entering into a management agreement with us. Clients entering into a management agreement with us after September 19, 2011, must either demonstrate a net worth of at least \$2,000,000 (excluding the value of their primary residence) or have \$1,000,000 under management with us in order to qualify for a performance-based fee arrangement.

Clients should be aware that performance-based fee arrangement may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Furthermore, since we also have clients who do not pay performance-based fees, we have an incentive to favor accounts that do pay such fees because compensation we receive from these clients is more directly tied to the performance of their accounts. Since we endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser, we take the following steps to address these conflicts:

1. We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and its employees to earn more compensation from advisory clients who pay performance-based fees;
2. We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
3. Our management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
4. We have implemented policies and procedures for fair and consistent allocation of investment opportunities among all client account;
5. We periodically compare holdings and performance of all accounts with similar strategies to identify significant performance disparities indicative of possible favorable treatment;



6. We periodically review trading frequency and portfolio turnover rates to identify possible patterns of “window dressing,” “portfolio churning,” or any intent to manipulate trading to boost performance near the reporting period; and
7. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients and equitable treatment of all clients, regardless of the fee arrangement.

Performance-based fees will only be charged in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 and/or applicable state regulations. The fees will not be offered to any client residing in a state in which such fees are prohibited.

**The client must understand the performance-based fee method of compensation and its risks prior to entering into a management contract with us.**

#### **Item 7. Types of Clients**

Our firm primarily provides advisory services to foreign entities, trusts and individuals. We may also provide advisory services to U.S. individuals, trusts, estates, charitable organizations, corporations and business entities.

We require a minimum account size of \$20,000,000 of assets under management.

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

Our firm employs the following types of analysis to formulate client recommendations:

Fundamental analysis. Primarily, we attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical analysis. Sometimes, we analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and to potentially predict future price movement.

Charting: In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Mutual Fund and/or ETF Analysis: We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other fund in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable of the client's portfolio.

Third-Party Manager Analysis: We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, it is possible for us to miss the absence of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks for all forms of analysis: Our securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Our firm employs the following investment strategies to implement investment advice given to clients:

Long-term purchases: We mostly purchase securities with the idea of holding them in the clients account for a year or longer. We may do this because we believe the securities to be currently undervalued. We may do this because we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases: At times, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains for U.S.-based clients.

Trading: At times, we purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

A risk in a short-term purchase is the potential for sudden losses if the anticipated price swing does not materialize. Moreover, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Short sales: Rarely, we borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. We then sell the shares we have borrowed. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling on based on our determination that the stock will go down in price after we have borrowed the shares. If the stock has gone down since we purchased the shares from the original owner, we keep the difference.

One risk in selling short is that losses are theoretically unlimited; we are obligated to repurchase the stock no matter how much the price has climbed. In addition, even if we are correct in determining that the price of a stock will decline, we run the risk of incorrectly determining when the decline will take place.

Margin transactions: We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the broker will issue a “margin call”, and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you may lose more money than you originally invested.

Option writing: We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.

A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to “hedge” a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We typically use “covered calls”, in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

We use a “spreading strategy”, in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

***Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.***

#### **Item 9. Disciplinary Information**

Our firm has no reportable disciplinary events to disclose.

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

As stated before, our firm is wholly owned by BSP, an entity which operates and provides multifamily office services to target high net worth clients. These services can include the managing of non-securitized real estate holdings, the management of business entities, including closely-held businesses, the hiring of outside consultants, including bookkeepers and bookkeeping services, attorneys, private bankers, accountants, insurance advisors, real estate management firms, and ad hoc concierge services that are typically requested by family offices. Typically, BSP we will charge clients separate and distinct fees for these non-advisory services, in addition to our advisory fees discussed in Item 5 of this Brochure. However, BSP may, at its sole discretion, reduce or waive some or all of these non-advisory fees. Our firm may recommend BSP’s family-office services to our advisory clients, and BSP may recommend our advisory services to its family-office clients. However, no referral fees of any kind are exchanged between these two entities.

Some of these non-advisory activities present a potential conflict of interest, to the extent that our principals and owners may receive additional compensation as a result of recommending family office services provided by BSP to clients. Potential conflicts of interest also arise to the extent that these non-advisory activities may require a significant time commitment from our principals and employees, thus limiting the amount of time they can dedicate to management of advisory client accounts.

Since we endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser and take the following steps to address these conflicts:

1. We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and its employees to earn compensation from advisory clients in addition to our advisory fees;
2. We disclose to clients that they are not obligated to purchase any additional services from our firm or its employees;

3. We do not pay or collect referral fees from any related persons or entities;
4. We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
5. Our management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
6. We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
7. We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
8. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Code of Ethics Disclosure

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code provides for oversight, enforcement and recordkeeping provisions. A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request to Rafael Iribarren, Manager and Chief Compliance Officer, at the firm's principal office address.

Our firm or individuals associated with our firm may buy or sell securities identical to those recommended to or purchased for customers for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. This practice results in a potential conflict of interest, as we may have an incentive to manipulate the timing of such purchases to obtain a better price or more favorable allocation in rare cases of limited availability.

We may aggregate our employee trades with client trades. In case there is a partial fill of

a particular batch order, we will allocate all the purchases pro-rata, with each account paying average price.

To mitigate these potential conflicts of interest and ensure the fulfillment of our fiduciary responsibilities, we have established the following restrictions:

1. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No principal or employee of our firm may prefer his or her own interest to that of the advisory client.
2. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.
3. We maintain a list of all securities holdings for our firm and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by Rafael Iribarren.
4. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
5. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
6. Any individual not in observance of the above may be subject to disciplinary action or termination.

## **Item 12. Brokerage Practices**

Typically, with respect to any portion of a client's portfolio directly managed by our firm and/or a third-party manager, we do not request or accept the discretionary authority to determine the broker dealer to be used for client accounts. This means that we will not survey or shop the brokerage market place for best execution on a transaction-by-transaction basis. As such, clients must direct us as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that we will not have authority to negotiate commissions among various brokers or obtain volume discounts, 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. *Not all advisers require their clients to direct brokerage.*

For clients in need of brokerage or custodial services, and depending on client circumstances and needs, we will recommend the use of one of several broker dealers,

provided that such recommendation is consistent with our fiduciary duty to the client. Our clients must evaluate these brokers before opening an account. The factors considered by our firm when making this recommendation are the broker's ability to provide professional services, our experience with the broker, the broker's reputation, and the broker's quality of execution services and costs of such services, and the custodial platform provided to clients, among other factors.

*Clients are not under any obligation to effect trades through any recommended broker.*

Our firm may have limited brokerage discretion on some client accounts where the client has pre-existing relationships with multiple broker dealers for the same account. In such cases, we will have the discretion to select a broker dealer from the pool of broker dealers approved and selected by the client. All broker dealers so selected and approved by the client must be indicated in writing on Schedule A of the advisory agreement. We will also have full brokerage discretion over accounts custodied with Pershing, LLC and/or Pershing Advisor Solutions, LLC. In cases where our firm has such limited brokerage discretion or full brokerage discretion, we will endeavor to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research and other services which will help us in providing investment management services to clients. We may, therefore recommend (or use) the use of a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all our clients, and not all of such research may be useful for the account for which the particular transaction was effected.

With respect to the use of third party investment advisers, each such adviser may or may not recommend broker dealers to clients, and/or will have their own policies, practices and procedures regarding brokerage. Our firm does not directly recommend the services of any particular broker dealer to these clients under these circumstances. Clients should refer to the disclosure document(s) of recommended independent registered investment adviser(s) for information on the brokerage recommendations, practices and policies for those entities.

Individual investment accounts are managed by different portfolio managers which may or may not always share information or discuss investment and trade strategies. For this reason, different portfolio managers of our firm may not aggregate (block) trades across different accounts. Because not all trades are aggregated, some clients may receive better prices or be beneficiaries of increased availability. Summit will aggregate (block) trade widely traded liquid securities where possible and when advantageous to clients within the same strategy or across strategies managed by the same portfolio manager.

#### Soft-Dollar Arrangements

In situations where we have limited or full brokerage discretion and consistent with



obtaining best execution for clients, we may direct brokerage transactions for clients' portfolios to brokers who provide research and execution services to our firm. These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment our own internal research and investment strategy capabilities. Such services include:

- Analyses or reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts;
- Reports concerning interrelated political and economic factors;
- Access to research analysts;
- Research-related seminars or conferences;
- Software that provides analyses of securities portfolios and assists with pre- and post-trade analytics, clearance, settlement and custody;
- Corporate governance research;
- Data services providing stock quotes, last sale prices, trading volumes; and
- Software that provides order routing and algorithmic trading strategies capabilities.

This may be done without prior agreement or understanding by the client (and done at our discretion). Research services obtained through the use of soft dollars may be developed by brokers to whom brokerage is directed or by third-parties which are compensated by the broker. Our firm does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research we receive will help us to fulfill our overall duty to its clients. We may not use each particular research service, however, to service each client. As a result, a client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client. Broker-dealers selected by our firm may be paid commissions for effecting transactions for our clients that exceed the amounts other broker-dealers would have charged for effecting these transactions if we determine in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or our overall duty to our clients.

Certain items obtainable with soft dollars may not be used exclusively for either execution or research services. The cost of such "mixed-use" products or services will be fairly allocated and our firm will make a good faith effort to determine the percentage of such products or services which may be considered as investment research. The portion of the costs attributable to non-research usage of such products or services is paid by our firm to the broker-dealer in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934.

When we use client brokerage commissions to obtain research or brokerage services, we receive a benefit to the extent that our firm does not have to produce such products internally or compensate third-parties with our own money for the delivery of such services. Therefore, such use of client brokerage commissions results in a conflict of interest, whereby we have an incentive to direct client brokerage to those brokers who

provide research and services utilized by us, even if these brokers do not offer the best price or commission rates for our clients. In addition, our firm theoretically could have an incentive to cause clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage compensation with which to acquire products or services.

Consequently, we have adopted the following policies and procedures to monitor and mitigate the conflict:

1. We use client commissions to pay for eligible services only, as defined in Section 28(e) and subsequent regulatory and industry guidance;
2. We conduct periodic analysis of volume of transactions sent to each approved broker along with the competitiveness of the commission schedules of each such broker;
3. We periodically evaluate the usefulness of services received from brokers in relation to the amount of commissions directed to each broker; and
4. We monitor any “mixed-use” services received and have developed a procedure for equitable allocation between soft and hard dollars paid for such services.

Our firm is currently enrolled in a commission sharing arrangement provided by Carolina Capital Markets, Inc, member FINRA/SIPC (hereinafter, "CCM").

#### Trade Aggregation

We may aggregate client trades when doing so is advantageous to our clients. Mostly, we will batch client transactions to receive volume discounts and to obtain better and more uniform pricing across client accounts. If we determine that aggregation of trades in a certain situation will be beneficial to our clients, transactions will be averaged as to price and will be allocated among our clients in proportion to the purchase and sale orders placed from each client account on any given day. Any exceptions from the pro-rata allocation procedure will be carefully explained and documented. Such exceptions may occur due to varying cash availability across accounts, divergent investment objectives and existing concentrations, and desire to avoid “odd lots,” (an amount of a security that is less than the normal unit of trading for that particular security).

Individual investment accounts are managed by different portfolio managers which may or may not always share information or discuss investment and trade strategies. For this reason, different portfolio managers of our firm may not aggregate (block) trades across different accounts. Because not all trades are aggregated, some clients may receive better prices or be beneficiaries of increased availability. Furthermore, it is possible that certain securities will be bought or sold by a portfolio manager for his/her client accounts without a similar transaction being contemplated for accounts managed by other portfolio managers, even if such a transaction could be suitable for these accounts. We will attempt to minimize such instances through frequent Investment Committee discussions

and firm-wide broadcasts of limited opportunity investments, whenever feasible and practicable.

Trade aggregation and participation in certain investment opportunities may be limited to the client's selection of custodian and/or broker.

### **Item 13. Review of Accounts**

#### Portfolio Management/Portfolio Consulting

Our Investment Committee, under the supervision of Rafael Iribarren and Ignacio Pakciarz, will continuously monitor the underlying securities in client accounts and perform at least semi-annual reviews of account holdings for all clients. We will also monitor the performance of third-party managers on a continuous basis. Accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Geopolitical and macroeconomic specific events may also trigger reviews.

In addition to the monthly statements and confirmations of transactions that clients receive from their broker dealer, our firm will typically provide monthly consolidated account summaries and/or performance reports, as contracted for at the inception of the advisory relationship. Clients should refer to the selected registered investment adviser(s) disclosure document(s) for information regarding the nature and frequency of additional reports, if any, provided by the selected third party investment advisers.

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

Our firm and/or its principal executive officers may, from time to time, receive incentive awards for the recommendation/introduction of certain investment products, including but not limited to, hedge funds and other private investment funds. The receipt of this compensation may affect our judgment in recommending investments to its clients. At our sole discretion, we may offset a client's advisory fee by the amount of the received incentive award.

We currently pay referral fees to our employees for referring advisory clients to our firm. If a client is introduced to us by either an affiliated or unaffiliated solicitor, we may pay that solicitor an ongoing referral fee of ranging from 10% to 30% of the referred client's advisory fee paid to our firm.

Payment of referral fees for prospective client referrals creates a potential conflict of interest to the extent that such a referral is not unbiased and the solicitor is, at least partially, motivated by financial gain. Therefore, such a referral may be made even if our advisory services are not suitable to a particular client's needs or entering into an advisory relationship with us is not, overall, in the best interest of the client. As these situations represent a conflict of interest, we have established the following restrictions in order to ensure our fiduciary responsibilities:

1. All such referral fees are paid in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements;
2. Any such referral fee will be paid solely from our investment management fee, and will not result in any additional charge to the client;
3. If the client is introduced to us by an unaffiliated solicitor, the solicitor, at the time of the solicitation, will disclose the nature of his/her/its solicitor relationship and provide each prospective client with a copy of our Form ADV Part 2 Brochure, together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between our firm and the solicitor, including the compensation to be received by the solicitor from us; and
4. All referred clients will be carefully screened to ensure that our fees, services, and investment strategies are suitable to their investment needs and objectives.

**Item 15. Custody**

Custody is defined as any legal or actual ability by our firm to access client funds or securities. Since all client funds and securities are maintained with a qualified custodian, we don't take physical possession of client assets. However, because for some clients whose assets are custodied with Pershing, we may directly debit fees from their custodial accounts, our firm is deemed to have constructive custody of client funds. We urge all of our management clients to carefully review and compare their reviews of account holdings and/or performance results received from us to those they receive from their custodian. Should you notice any discrepancies, please notify us and/or your custodian as soon as possible.

**Item 16. Investment Discretion**

For clients granting us discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for their account(s), we request that such authority be granted in writing, typically in the executed investment management agreement. With respect to the use of third party investment advisers, our firm does not manage these client portfolios, or this portion of these client portfolios, in the traditional sense of the definition, rather, we manage the managers. As such, the client may grant us the authority to hire and fire the selected registered investment adviser(s) directly.

Should the client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in the executed investment advisory agreement. Clients may change/amend these limitations as desired. Such amendments must be submitted to us by the client in writing.

**Item 17.      Voting Client Securities**

As a matter of firm policy, our firm does not vote proxies on behalf of clients. Clients will receive their proxies and other solicitations directly from their custodian or transfer agent and retain sole responsibility for voting. However, we may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

**Item 18.      Financial Information**

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered.

**Part 2B of Form ADV: *Brochure Supplement***

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11/28/2011

**This brochure supplement provides information about Ignacio Pakciarz that supplements the BigSur Wealth Management, LLC brochure. You should have received a copy of that brochure. Please contact Rafael Iribarren, Chief Compliance Officer, if you did not receive our brochure or if you have any questions about the contents of this supplement.**

## **Item 2. Educational Background and Business Experience**

Ignacio Gabriel Pakciarz, Principal, Manager

Year of Birth: 1968

### Education:

Mr. Pakciarz graduated from the University of Uruguay with a degree in Economics in 1992 and from the New York University with an MBA in Finance in 1996.

### Business Background:

Manager, BigSur Wealth Management, LLC from 11/2007 to present  
Partner, BigSur Partners from 11/2007 to present  
Engaged in the formation of BigSur Wealth Management, LLC, 10/2007  
Managing Director, Guggenheim Investment Advisors from 03/2004 to 12/2007  
Managing Director, Deutsche Bank from 04/2001 to 12/2003

### Industry Examinations:

NASAA Series 65, Uniform Investment Advisor Law Examination, 2004  
NASAA Series 63, Uniform Securities Agent State Law Examination, 1997  
FINRA Series 7, General Securities Representative Examination, 1996

## **Item 3. Disciplinary Information**

Mr. Pakciarz does not have any history of reportable disciplinary events.

## **Item 4. Other Business Activities**

Mr. Pakciarz is a Partner in BigSur Partner, LLC (hereinafter, "BSP"), an entity which owns BWM and provides multifamily office services to target high net worth clients. Please see Item 10 of our Form ADV Part 2 for additional details regarding the services provided by this related firm.

Some of these non-advisory activities present a potential conflict of interest, to the extent that Mr. Pakciarz may receive additional compensation as a result of recommending the services of BSP to our clients. Potential conflicts of interest also arise to the extent that these non-advisory activities may require a certain time commitment from Mr. Pakciarz, thus limiting the amount of time he can dedicate to management of advisory client accounts. Please refer to Item 10 of this Brochure for a detailed explanation of how our firm addresses these conflicts of interest.

## **Item 5. Additional Compensation**

Mr. Pakciarz does not receive any additional compensation from third parties for providing investment advice to our clients.

**Item 6. Supervision**

As indirect owners of BWM, Ignacio Pakciarz and Rafael Iribarren determine the general business strategy of the firm and are jointly responsible for all employee supervision. They can be reached at (305) 740-6777. Mr. Pakciarz and Mr. Iribarren also supervise our firm's Investment Committee which is responsible for formulation and monitoring of investment advice offered to client, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met.



**Part 2B of Form ADV: *Brochure Supplement***

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11/28/2011

**This brochure supplement provides information about Rafael Iribarren that supplements the BigSur Wealth Management, LLC brochure. You should have received a copy of that brochure. Please contact Rafael Iribarren, Chief Compliance Officer, if you did not receive our brochure or if you have any questions about the contents of this supplement.**

## **Item 2. Educational Background and Business Experience**

Rafael Maria Iribarren, Principal, Manager

Year of Birth: 1973

### Education:

Mr. Iribarren graduated from the Universidad Catolica Argentina with a degree in Economics in 1991.

### Business Background:

Chief Compliance Officer/Manager, BigSur Wealth Management, LLC from 11/2007 to present

Partner, BigSur Partners from 11/2007 to present

Engaged in the formation of BigSur Wealth Management, LLC, 10/2007

Director, Deutsche Bank Trust Company Americas from 07/2003 to 09/2007

Registered Representative, Deutsche Bank Securities, Inc. from 06/2001 to 07/2003

### Industry Examinations:

NASAA Series 65, Uniform Investment Advisor Law Examination, 2000

NASAA Series 63, Uniform Securities Agent State Law Examination, 2000

FINRA Series 7, General Securities Representative Examination, 2000

### Professional Designations:

Mr. Iribarren earned the Chartered Financial Analyst (CFA) designation in 2004. The CFA designation is an international professional certification offered by the CFA Institute (formerly AIMR) to financial analysts who complete a series of three examinations. To become a CFA charterholder candidates must pass each of three six-hour exams, possess a bachelor's degree (or equivalent, as assessed by CFA institute) and have 48 months of qualified, professional work experience. CFA charterholders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

## **Item 3. Disciplinary Information**

Mr. Iribarren does not have any history of reportable disciplinary events.

## **Item 4. Other Business Activities**

Mr. Iribarren is a Partner in BigSur Partner, LLC (hereinafter, "BSP"), an entity which owns BWM and provides multifamily office services to target high net worth clients.

Please see Item 10 of our Form ADV Part 2 for additional details regarding the services provided by this related firm.

Some of these non-advisory activities present a potential conflict of interest, to the extent that Mr. Iribarren may receive additional compensation as a result of recommending the services of BSP to our clients. Potential conflicts of interest also arise to the extent that these non-advisory activities may require a certain time commitment from Mr. Iribarren, thus limiting the amount of time he can dedicate to management of advisory client accounts. Please refer to Item 10 of this Brochure for a detailed explanation of how our firm addresses these conflicts of interest.

#### **Item 5. Additional Compensation**

Mr. Iribarren does not receive any additional compensation from third parties for providing investment advice to our clients.

#### **Item 6. Supervision**

As indirect owners of BWM, Ignacio Pakciarz and Rafael Iribarren determine the general business strategy of the firm and are jointly responsible for all employee supervision. They can be reached at (305) 740-6777. Mr. Pakciarz and Mr. Iribarren also supervise our firm's Investment Committee which is responsible for formulation and monitoring of investment advice offered to client, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met.