

# DISCLOSURE BROCHURE

## deVere USA, Inc.

A Registered Investment Adviser

March 30, 2015

This brochure provides information about the qualifications and business practices of deVere USA, Inc. (hereinafter “deVere USA” or the “Firm.” If you have any questions about the content of this brochure, please contact Allison G. Jaffe at 646-599-8901. 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 deVere USA, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). deVere USA, Inc. is an SEC registered investment adviser. Registration does not imply any level or skill or training. deVere USA, Inc. 767 Third Avenue, Floor 6, New York, NY 10017



## **Item 2.      Material Changes**

This Item discusses only the material changes that have occurred since deVere USA's last update, dated July 2015 and filed on July 20, 2015. deVere USA has the following material changes to disclose in this disclosure brochure.

**Item 5: Fees and Compensation:** In Item 5, clarifications were made to language regarding deVere USA receipt of compensation in relation to QROPS clients.

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## Item 4. Advisory Business

deVere USA (often referred to as the “Firm” / “deVere USA”) provides customized investment management services primarily to individuals, identifying their investment objectives by assessing risk tolerance based upon age, income, education, need for cash flow, investment goals, and emotional tolerance for volatility. The Firm collects this information during client meetings, interviews and by the completion of a fact find assessing the clients personal financial circumstances. deVere USA believes it to be essential to analyze a client’s financial situation and formulate a suitability report that recommends an investment strategy using a combination of investments appropriately tailored to meet those needs.

deVere USA provides financial planning and investment management services. Prior to engaging deVere USA to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with deVere USA setting forth the terms and conditions under which deVere USA renders its services (collectively the “*Agreement*”).

deVere USA has been in business since November 2003 and actively operational in the USA since September 2012. It is fifty percent owned by its parent company deVere Group Limited GmbH (“GmbH”) which is principally owned by Nigel Green, Chief Executive Officer of GmbH. The remaining fifty percent is owned by a United Kingdom company, deVere Recruitment Limited.

This Disclosure Brochure describes the business of deVere USA. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of deVere USA’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on the Firm’s behalf and is subject to deVere USA’s supervision or control.

### Financial Planning Services

deVere USA may provide its clients with a broad range of comprehensive financial advisory and consulting services. These services include but are not limited to retirement planning, planning for education savings and reviewing cash flow needs. These services may be included as part of deVere USA’s investment management services, described below.

In performing its services, the Firm is not required to verify any information received from the client or from the client’s other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. The Firm may recommend the services of itself, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if the Firm recommends its own services. The client is under no obligation to act upon any of the recommendations made by the Firm under a financial planning or consulting engagement or to engage the services of any such recommended professional, including the Firm itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of the Firm’s recommendations. Clients are advised that it remains their responsibility to promptly notify the Firm if

there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising the Firm's previous recommendations and/or services.

### **Investment Management Services**

Clients engage the Firm to manage all or a portion of their assets on a non- discretionary basis. In addition, the Firm may provide clients with financial planning services which generally include comprehensive retirement and education planning as well as non- discretionary management of investment portfolios. The Firm does not act on a discretionary basis for its clients.

The Firm primarily allocates clients' investment management assets among *Independent Managers* (as defined below), mutual funds, exchange-traded funds ("ETFs") and individual debt and equity securities in accordance with the investment objectives of the client. Under certain circumstances, the Firm may recommend "Qualifying Recognized Overseas Pension Scheme" ("QROPS"), an international pension scheme. When advising on QROPS, the Firm generally recommends QROPS to investors who meet the 'Accredited Investor' definition as defined under Rule 501 of the Securities Act of 1933, The Firm also provides advice about any type of underlying investment held in clients' portfolios.

The Firm also may render non-discretionary investment management services to clients relative to the underlying investments held in the variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client's primary custodian. In so doing, the Firm either directs or recommends the allocation of client assets among the various investment options that are available with the product and the Client must sign off all recommendations. Client assets are maintained at the specific insurance company or custodian designated by the product.

The Firm tailors its advisory services to the individual needs of clients. The Firm consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. The Firm ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify the Firm if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the Firm's management services.

## Use of International Pension Schemes

As mentioned above, the Firm may recommend QROPS, an international pension scheme allowing an investor with a preserved United Kingdom (“U.K.”) pension to transfer such pension to a trust based in Malta. Such trusts are not underwritten or offered for sale in the U.S. Clients hold their QROPS investment assets within a portfolio bond, which is fully compatible with most pension schemes and also acts as a custodian of the assets). deVere advisers provide, and are required to, outline complete information regarding the advantages and disadvantages of investing in a QROPS.

deVere USA will not solicit, negotiate or effect transactions in QROPS products or trusts in any country where such activities are not permitted. As such, deVere USA solely offers its services to clients on an advisory basis. When a United States resident decides to enter into a QROPS investment, deVere USA’s *Supervised Persons* follow a specific process requiring all applications and other documents be executed only in Malta, Guernsey or the Isle of Man; and all such products will be issued and delivered only in Malta, Guernsey or the Isle of Man. All funds for the QROPS, including the underlying assets for such products, must be received in Malta, Guernsey or the Isle of Man. No actions may take place outside of Malta, Guernsey or the Isle of Man that might be construed as “doing business.” Within the United States, deVere USA may provide investment advisory services to its clientele and discuss such international products.

deVere USA advisers provide complete disclosure to clients on the advantages and disadvantages of investing in a QROPS. deVere USA recognizes that the investing of a pension is an essential investment for its clients and completes a comprehensive review of their pension assets. Clients are free to ask any questions and to relay any concerns upon which a deVere USA adviser will ensure that the questions/concerns are dealt with.

## Use of Independent Managers

As mentioned above, deVere USA recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers (“*Independent Managers*”), based upon the stated investment objectives of the client, for example Goldman Sachs/ GAM. The terms and conditions under which the client engages the *Independent Managers* are set forth in a separate written agreement between deVere USA or the client and the designated *Independent Managers*. deVere USA renders services to the client relative to the non-discretionary selection or recommendation of *Independent Managers*. deVere USA also monitors and reviews the account performance and the client’s investment objectives. deVere USA receives an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Managers*.

When recommending or selecting an *Independent Manager* for a client, deVere USA reviews information about the *Independent Manager* such as its disclosure brochure and/or material supplied by the *Independent Manager* or independent third parties for a description of the *Independent Manager’s* investment strategies, past performance and risk results to the extent available. Factors that deVere USA considers in recommending an *Independent Manager* include the client’s stated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated *Independent Managers*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client’s assets, may be exclusive of, and in addition to, deVere USA’s investment advisory fee set forth above. As discussed above, the

client may incur additional fees than those charged by deVere USA, the designated *Independent Managers*, and corresponding broker-dealer and custodian.

If deVere USA refers a client to an *Independent Manager* where deVere USA's compensation is included in the advisory fee charged by such *Independent Manager* and the client engages the *Independent Manager*, deVere USA is compensated for its services by receipt of a fee to be paid directly by the *Independent Manager* to deVere USA in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities laws, rules, regulations, or requirements. Any such fee is paid solely from the *Independent Manager's* investment management fee, and does not result in any additional charge to the client.

### **Assets Under Management**

As of March 2016, deVere USA has \$313,954,945.32 million of assets under management on a non-discretionary basis. The firm does not manage assets under management on a discretionary basis.

### **Sponsor / Manager of Wrap Program**

deVere USA is not currently the sponsor or manager of a wrap fee program.

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

deVere USA offers its services on a fee basis, based upon assets under management. Additionally, certain of deVere USA's *Supervised Persons*, in their individual capacities, may offer securities brokerage services under a commission arrangement via an unaffiliated broker/dealer.

### **Financial Planning Fees**

deVere USA may charge a fixed fee and/or hourly fee for financial planning and consulting services. These fees are negotiable, but generally range from \$1,500 to \$10,000 on a fixed fee basis and/or from \$75 to \$250 on an hourly rate basis, depending upon the level and scope of the services and the deVere IAR rendering the financial planning and/or the consulting services. If the client engages deVere USA for additional investment advisory services, deVere USA may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Prior to engaging deVere USA to provide financial planning and/or consulting services, the client is required to enter into a written agreement with deVere USA setting forth the terms and conditions of the engagement. Generally, deVere USA requires one-half of the financial planning / consulting fee (Estimated hourly or fixed) payable upon entering the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

### **Investment Management Fee**

deVere USA provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by deVere USA. deVere USA's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client.



In addition, deVere USA Investment Adviser Representatives may receive discretionary quarterly bonuses based on the amount of new QROPS advisory assets under management for the preceding quarter, provided they meet certain key performance indicators (KPIs). KPIs take into account such factors as client retention, customer service, professional training, the number of meetings with prospective clients, and the number of new client relationships established. The quarterly bonuses are paid by deVere Group Limited (“DVL”), an affiliated company of deVere USA. DVL receives a fee equal to 7% of the amount of U.K. pension assets transferred to a QROPS Plan that utilizes long-term business contracts of insurance written by either RL 360 or Generali International, which pays the fee. No part of the fee is paid by any client. DVL may use a portion of this fee to fund the discretionary quarterly bonuses paid to deVere USA Investment Adviser Representatives in amounts equal to half of this fee. A conflict of interest may be deemed to arise under these circumstances. deVere USA has procedures in place to ensure that any recommendation to transfer U.K. pension assets to a QROPS plan is in the best interests of clients.

deVere USA’s annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by deVere USA on the last day of the previous quarter. The annual fee varies depending upon the type of investments and the market value of the assets under management, as follows:

Portfolio Values	Fee for QROPS	Fee for Debt and Equities, ETFs, and Mutual Funds
Up to \$500,000	1%	1.5%
\$500,001 - \$1,000,000	1%	1.25%
\$1,000,001 - \$5,000,000	1%	1.00%
Above \$5,000,000	1%	Negotiable

Generally, the fee is non-negotiable although deVere USA, in its sole discretion, may negotiate to charge a lesser management fee 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, pre-existing client, account retention, *pro bono* activities, etc.). Further, the client may request more frequent monitoring of their portfolio and more frequent reporting for an additional fee.

### **Fees Charged by Financial Institutions**

As further discussed in response to Item 12 (below), deVere USA generally recommends that clients utilize the brokerage and clearing services of an independent broker-dealer for investment management accounts.

deVere USA may only implement its investment management recommendations after the client has arranged for and furnished deVere USA with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to any broker-dealers recommended by deVere USA, broker-dealers directed by the client, trust companies, banks etc. (collectively referred to herein as the “*Financial Institutions*”).

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as fees charged by *Independent Managers*, custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to deVere USA's fee.

deVere USA's *Agreement* and the separate agreement with any *Financial Institutions* may authorize deVere USA or *Independent Managers* to debit the client's account for the amount of deVere USA's fee and to directly remit that management fee to deVere USA or the *Independent Managers*. Any *Financial Institutions* recommended by deVere USA have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to deVere USA. Alternatively, clients may elect to have deVere USA send an invoice for payment.

### **Fees for Management During Partial Quarters of Service**

For the initial period of investment management services, the fees are calculated on a *pro rata* basis.

The *Agreement* between deVere USA and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. deVere USA's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to deVere USA's right to terminate an account. Additions may be in cash or securities provided that deVere USA reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to deVere USA, subject to the usual and customary securities settlement procedures. However, deVere USA designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. deVere USA may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter.

### **Commissions or Sales Charges for Recommendations of Securities**

Clients can engage certain persons associated with deVere USA (but not deVere USA) to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with deVere USA.

A conflict of interest exists to the extent that deVere USA recommends the purchase of securities where deVere USA's *Supervised Persons* receive commissions or other additional compensation as a result of deVere USA's recommendations. deVere USA has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of clients.

For accounts covered by ERISA (and such others that deVere USA, in its sole discretion deems appropriate), deVere USA provides its investment advisory services on a fee-offset basis. In this

scenario, deVere USA may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by deVere USA's *Supervised Persons* in their individual capacities as registered representatives of deVere USA.

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

deVere USA does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

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

deVere USA provides its services primarily to individuals, those who meet the accreditor investor definition and trusts and estates.

### **Minimum Account Size**

As a condition for participating in QROPS offerings, deVere USA generally imposes a minimum portfolio size of \$50,000. deVere USA, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and *pro bono* activities. deVere USA only accepts clients with less than the minimum portfolio size if, in the sole opinion of deVere USA, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. deVere USA may aggregate the portfolios of family members to meet the minimum portfolio size.

For non-QROPS accounts, deVere USA does not impose a minimum portfolio size.

Additionally, certain *Independent Managers* may impose more restrictive account requirements and varying billing practices than deVere USA. In such instances, deVere USA may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

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

deVere USA utilizes strategies driven by and tailored to each client's needs and specific circumstances. deVere USA's investment adviser representatives principally employ a fundamental analysis of a client's current financial position, investment objectives and goals to determine the appropriate mix of investments that would best achieve those goals.

### **Methods of Analysis**

deVere USA's primary method of analysis is fundamental analysis.

*Fundamental analysis* involves the fundamental financial condition and competitive position of a company. deVere USA will analyze the financial condition, capabilities of management, earnings, new

products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

## **Investment Strategies**

deVere USA does not follow a specific investment strategy but rather utilizes strategies driven by and tailored to each client's need and specific circumstances. deVere USA IARs principally employ a fundamental analysis of a client's current financial position, investment objectives and goals to determine the appropriate mix of investments that would best achieve those goals.

The Firm primarily seeks to invest over relatively long time horizons; however, market developments may cause deVere USA to reconfigure securities allocations. In order to mitigate the risk of any potential losses, deVere USA will use asset allocation models constructed by leading investment managers devised under the following headings: (i) low risk, (ii) medium risk and (iii) high risk. High risk models will be used for more sophisticated clients. All asset allocation models are discussed with the client before any decision is made.

The investment adviser will assess the factors particular to the client before any investment recommendation is made. deVere USA aligns its recommendations seeking complete correlation between the factors particular to the given client and the aims and objectives of the client.

## **Risks of Loss**

### *Mutual Funds and Exchange Traded Funds (ETFs)*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or

more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

#### *Market Risks*

The profitability of a significant portion of deVere USA's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that deVere USA will be able to predict those price movements accurately.

#### *Use of Independent Managers*

deVere USA may recommend the use of *Independent Managers* for certain clients. deVere USA will continue to do ongoing due diligence of such managers, but such recommendations rely, to a great extent, on the *Independent Managers* ability to successfully implement their investment strategy. In addition, deVere USA does not have the ability to supervise the *Independent Managers* on a day-to-day basis other than as previously described in response to Item 4, above.

#### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

## **Item 9. Disciplinary Information**

deVere USA is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. deVere USA does not have any required disclosures to this Item.

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

#### **deVere Overseas Offices**

From time to time, deVere USA may recommend certain of its clients to certain deVere companies worldwide. Such an example may arise when a US resident is moving to a foreign country, such as the United Kingdom, and will need to be serviced by the local deVere office for various services and in compliance with the relevant local laws. deVere overseas offices renders these services independently of deVere USA. deVere USA does not receive any portion of the fees charged (referral or otherwise) by any deVere overseas offices for the services rendered and such fee arrangement is exclusively between the client and the new deVere servicing office.

It is also expected that principals of deVere USA who may also be principals of other deVere offices, solely incidental to their respective practices with these offices, will recommend deVere USA's services to certain of deVere overseas clients, for example, US persons who have US assets based in the US. Although deVere overseas offices do not receive referral fees from deVere USA, these individual members of deVere USA may be entitled to receive distributions relative to their respective ownership interests in deVere USA.

## Related Trust Company

Certain of deVere USA's Supervised Persons are shareholders of STM Group, Plc ("*STM*"), headquarter in Malta. *STM* offers trust services to investment advisory clients. deVere USA may recommend the trust services of *STM* to its clients on a fully-disclosed basis. However, clients are advised that such referral is a conflict of interest due to the common ownership among the companies. Shareholdings held in *STM* can be accessed via the following link: [http://www.stmgroupplc.com/html/investor/shareholder\\_profile.asp](http://www.stmgroupplc.com/html/investor/shareholder_profile.asp)

## Fees from Independent Managers

As discussed above, deVere USA recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain *Independent Managers*. In certain circumstances deVere USA's compensation is included in the advisory fee charged by such *Independent Managers*. There may be a conflict of interest to choose such *Independent Managers*.

## Item 11. Code of Ethics

deVere USA and persons associated with deVere USA ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with deVere USA's policies and procedures.

deVere USA has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). deVere USA's *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by deVere USA or any of its associated persons. The *Code of Ethics* also requires that certain of deVere USA's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

When deVere USA is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Access Person is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to

the policies stated above.

Clients and prospective clients may contact deVere USA to request a copy of its *Code of Ethics*.

## **Item 12. Brokerage Practices**

deVere USA generally recommends that clients utilize the brokerage and clearing services of Charles Schwab & Co., Inc. ("*Schwab*"), a qualified custodian, for investment management accounts. deVere USA is independent of and not affiliated with *Schwab*. For QROPS investments, deVere recommends that clients utilize the custodian, broker/clearing services of Royal London 360 Insurance Company Limited or Generali International Limited. A conflict of interest may be deemed to arise under these circumstances. deVere USA has procedures in place to ensure that any recommendation to transfer U.K. pension assets to a QROPS plan is in the best interests of clients.

Factors which deVere USA considers in recommending *Schwab* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Schwab* includes access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through *Schwab* include some to which the Firm might not otherwise have access. For example, *Schwab* enables deVere USA to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. In addition, *Schwab* has agreed to compensate clients for any transfer fees that may be assessed for moving their account(s) to *Schwab*. The commissions and/or transaction fees charged by *Schwab* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by deVere USA's clients comply with deVere USA's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where deVere USA determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. deVere USA seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other *Financial Institutions* with whom deVere USA and the *Financial Institutions* have entered into agreements for prime brokerage clearing services. deVere USA periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct deVere USA in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and deVere USA will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by deVere USA (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, deVere USA may decline a client's request to direct brokerage if, in deVere USA's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or



violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be effected independently, unless deVere USA decides to purchase or sell the same securities for several clients at approximately the same time. deVere USA may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among deVere USA’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among deVere USA’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that deVere USA determines to aggregate client orders for the purchase or sale of securities, including securities in which deVere USA’s *Supervised Persons* may invest, deVere USA generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. deVere USA does not receive any additional compensation or remuneration as a result of the aggregation. In the event that deVere USA determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, deVere USA may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist deVere USA in its investment decision-making process. Such research generally will be used to service all of deVere USA’s clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client’s portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because deVere USA does not have to produce or pay for the products or services.

### **Software and Support Provided by Financial Institutions**

deVere USA may receive from *Schwab*, without cost to deVere USA, computer software and related systems support, which allow deVere USA to better monitor client accounts maintained at *Schwab*. deVere USA may receive the software and related support without cost because deVere USA renders investment management services to clients that maintain assets at *Schwab*. The software and support is not provided in connection with securities transactions of clients (i.e. not “soft dollars”). The software and related systems support may benefit deVere USA, but not its clients directly. In fulfilling its duties to its



clients, deVere USA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that deVere USA's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence deVere USA's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, deVere USA may receive the following benefits from *Schwab* through its Schwab Institutional division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services the Schwab Institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

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

For those clients to whom deVere USA provides investment management services, deVere USA monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom deVere USA provides financial planning services, reviews are conducted on an "as needed" basis. Such reviews are conducted by one of deVere USA's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with deVere USA and to keep deVere USA informed of any changes thereto. deVere USA contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom deVere USA provides investment advisory services will also receive a report from deVere USA that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis. Clients should compare the account statements they receive from their custodian with those they receive from deVere USA.

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

If a client is introduced to deVere USA by either an unaffiliated or an affiliated solicitor, deVere USA may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee is paid solely from deVere USA's investment management fee, and does not result in any additional charge to the client. If the client is introduced to deVere USA by an unaffiliated solicitor, the solicitor provides the client with a copy of deVere USA's written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of deVere USA discloses the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of deVere USA's written disclosure brochure at the time of the solicitation.

deVere USA may receive economic benefits from non-clients for providing advice or other advisory services to clients. deVere USA may receive economic benefits from *Schwab* in the form of support products and services *Schwab* makes available to the Firm and other independent investment advisors that have clients accounts with *Schwab*. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

## **Item 15. Custody**

deVere USA's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize deVere USA through such *Financial Institution* to debit the client's account for the amount of deVere USA's fee and to directly remit that management fee to deVere USA in accordance with applicable custody rules. However, deVere USA has procedures in place to ensure that it does not have custody of a client's account.

The *Financial Institutions* recommended by deVere USA have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to deVere USA. In addition, as discussed in Item 13, deVere USA also sends periodic supplemental reports to clients. Clients should promptly and carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from deVere USA.

## **Item 16. Investment Discretion**

deVere USA does not manage advisory accounts on a discretionary basis.

## **Item 17. Voting Client Securities**

deVere USA is required to disclose if it accepts authority to vote client securities. deVere USA does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

## **Item 18. Financial Information**

deVere USA does not require or solicit the prepayment of more than \$500 in fees six months or more in advance. In addition, deVere USA is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. deVere USA has no disclosures pursuant to this Item

