

## **Brochure/Form ADV Part 2A**

### **SEQUOIA Swiss Financial Advisors AG**

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This brochure provides information about the qualifications and business practices of SEQUOIA Swiss Financial Advisors AG ("SEQUOIA SFA").

For additional information or if you have any questions about the contents of this brochure, please contact us by telephone at +41 44 575 22 20 or by e-mail at [info@sequoia-sfa.com](mailto:info@sequoia-sfa.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about SEQUOIA SFA is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The oral and written communications of an adviser provide you with information with which you determine to hire or retain an adviser.

## **Item 2.      Material Changes**

This brochure is SEQUOIA SFA's initial version of Part 2A of Form ADV.

### Item 3. Table of Contents

1.	COVER PAGE.....	
2.	MATERIAL CHANGES.....	2
3.	TABLE OF CONTENTS .....	3
4.	ADVISORY BUSINESS .....	4
	a) Discretionary Services .....	4
	b) Non-discretionary Services .....	4
5.	FEEs AND COMPENSATION.....	6
6.	PERFORMANCE – BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	7
7.	TYPES OF CLIENTS .....	8
8.	METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	9
9.	DISCIPLINARY INFORMATION .....	11
10.	OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	12
11.	CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	13
12.	BROKERAGE PRACTICES.....	15
13.	REVIEW OF ACCOUNTS .....	16
14.	CLIENT REFERRALS AND OTHER COMPENSATION .....	17
15.	CUSTODY .....	18
16.	INVESTMENT DISCRETION .....	19
17.	VOTING CLIENT SECURITIES .....	20
18.	FINANCIAL INFORMATION.....	21
19.	REQUIREMENTS FOR STATE-REGISTERED INVESTMENT ADVISERS .....	22

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## Item 4. Advisory Business

**SEQUOIA SFA Financial Advisors AG** (“SEQUOIA SFA”), based in Zurich, Switzerland, is a corporation formed under the laws of Switzerland. SEQUOIA SFA provides investment advisory services to clients internationally. SEQUOIA SFA was formed in March 2011 and will begin servicing clients in late 2011 at the direction of Thomas Lehmann, CFA, who is the principal owner.

SEQUOIA SFA provides Discretionary Asset Management and Non-Discretionary Advisory services through accounts maintained at qualified custodian Banks recommended by SEQUOIA SFA. The custodian banks with which SEQUOIA SFA works are regulated by the Swiss Federal Financial Market Supervisory Authority (FINMA).

SEQUOIA SFA works with the broker as determined by the custodian bank selected by each client. Each such broker may or may not be a broker registered with the U.S. Securities and Exchange Commission.

Standard reference currencies are CHF, EUR, and USD, however a client may choose other currencies as a reference for the portfolio.

### a) Discretionary Services

SEQUOIA SFA offers Portfolio Management (Discretionary) Services primarily to individuals, trusts, foundations and companies.

Under a portfolio management mandate, SEQUOIA SFA provides clients with discretionary investment management services in accordance with the client’s investment strategy and subject to any restrictions that are established by the client and accepted by SEQUOIA SFA, at SEQUOIA’s sole discretion. Investment supervisory services are provided based on the individual needs and investment objectives of each client as communicated to SEQUOIA SFA. Specifically, the structure for each client’s investment program is created in the context of certain considerations such as expected returns, risk tolerance, future liquidity requirements and potential legal restrictions.

The client chooses one out of five investment strategies: **Fixed Income, Yield, Balanced, Growth, Individual Mandate**. The **Fixed Income Strategy** seeks income generation and long-term capital preservation. The **Yield** strategy seeks income generation and long-term capital appreciation with moderate volatility. The **Balanced** strategy seeks a balance of income and long-term capital appreciation generated by a broad mix of interest, income and capital gains with medium volatility. The **Growth** strategy seeks significant long-term capital appreciation with modest interest income and dividend yield with above average volatility. The **Individual Mandate** offers clients the possibility to specify and individualize their asset allocations. In each of the five investment strategies, the client may impose restrictions on investing in certain securities or types of securities. SEQUOIA SFA does not select the broker or dealer for effectuating securities transactions and does not negotiate the commission rates paid to effectuate transactions.

### b) Non-discretionary Services

SEQUOIA SFA provides investment advisory (non-discretionary) services primarily for individuals, trusts, foundations and companies. The services provided include the provision of continuous advice concerning asset allocation and the investment of individual securities which are consistent with the

objectives and risk tolerance of each client. Investment advisory services are provided based on the individual needs and investment objectives of each client as communicated to SEQUOIA SFA. Under a non-discretionary management mandate, SEQUOIA SFA makes investment recommendations to a client, and the client subsequently makes all investment decisions about the investments held in the account. In order to implement the client's decisions, the client may authorize SEQUOIA SFA to place orders for the execution of securities transactions for the client's account. In such cases, SEQUOIA SFA does not select the broker or dealer used for effectuating such securities transactions and does not negotiate the commission rates paid. The client may impose restrictions on investing in certain securities or types of securities.

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

The standard asset management and advisory fee schedule is in a range of 0.3% to 1.2% of assets under management. Fees charged to each client may be negotiable based on factors such as the selected investment strategy, overall complexity of the service provided, size of the account, or other specific circumstances. The exact services and fees will be negotiated and agreed upon between the parties and stated in the investment advisory agreement prior to services being provided.

Fees are deducted directly from the client's account. SEQUOIA SFA's annual fee charged to clients is billed quarterly in arrears based on the average value of the account for the three previous months.

SEQUOIA SFA is entitled to charge the Client for additional work, such as special portfolio analysis, consulting, or other special services in excess or addition to the asset management or investment advisory services agreed upon.

Safekeeping and Transaction fees will be charged by the custodian directly to the client.

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

SEQUOIA SFA does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the managed assets).

## **Item 7.      Types of Clients**

SEQUOIA SFA offers investment management services to individuals, trusts, estates, corporations and other business entities or foundations.

SEQUOIA SFA prefers a minimum account size of USD 250,000, but may waive this requirement at its sole discretion.



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

### Methods of Analysis:

SEQUOIA SFA utilizes a variety of methods and strategies to make investment decisions and recommendations. The methods of analysis include various aspects of fundamental research and technical analysis.

SEQUOIA SFA's investment process incorporates fundamental research and analysis (both macro- and micro- economic analysis) along with technical analysis to determine both strategic (long-term) and tactical (short-term) asset allocation. Active management of tactical allocations is made based on compelling market dislocations and/or longer term economic trends.

SEQUOIA SFA provides mainly International advice on:

- Global Equities
- Government and Corporate debt securities
- Short term money market instruments
- Global Mutual Funds and Exchange-traded fund shares
- Structured Products and Derivatives
- Currencies and Precious Metals
- Alternative investments

SEQUOIA SFA's main sources of information for its investments are:

- Investment research provided by various banks with which SEQUOIA SFA works
- Financial journals, newspapers, and other financial media
- Research materials prepared by other sources;
- Company press releases
- Real time financial market research and quotation services

### Investment Strategies:

The **Fixed Income Strategy** seeks income generation and long-term capital preservation. The **Yield** strategy seeks income generation and long-term capital appreciation with moderate volatility. The **Balanced** strategy seeks a balance of income and long-term capital appreciation generated by a broad mix of interest, income and capital gains with medium volatility. The **Growth** strategy seeks significant long-term capital appreciation with modest interest income and dividend yield with above average volatility. The **"Individual Mandate"** offers clients the possibility to specify and individualize their asset allocation.

### Risks:

Economic/Market: Economic forces and market conditions, which are beyond SEQUOIA SFA's control, causing unfavorable changes to security valuations and currency exchange rates which could result in negative returns to an investment portfolio.

Issuer and Counterparty Risk: Changes in the financial conditions of an issuer or counterparty, or severe changes in general political or economic conditions can increase the risk of default by an issuer or counterparty, which could negatively affect the security or instrument value.

Investment Strategy: SEQUOIA SFA bases its investment strategies and advice on available research which enables the firm to best evaluate and monitor economic trends or changes, and anticipate the direction and magnitude of these changes and its subsequent effect on markets and securities. There can be no guarantee that SEQUOIA SFA will successfully anticipate and implement these changes at all times.

Leverage: SEQUOIA SFA does not use leverage within its managed portfolios.

Illiquidity: Some investment instruments may have no readily available market or third-party pricing. Reduced market liquidity for certain securities could make it difficult for SEQUOIA SFA to purchase or sell an illiquid security, or to obtain a market quotation for the purpose of valuing a portfolio.

## **Item 9.      Disciplinary Information**

No legal or disciplinary events have occurred that are material to a client's or prospective client's evaluation of SEQUOIA SFA's advisory business or the integrity of its management.

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

SEQUOIA SFA is a member of the VQF Swiss Financial Services Standards Association, which is monitored by the Swiss Financial Market Supervisory Authority (FINMA).

SEQUOIA SFA is not registered and does not have an application pending as a securities broker dealer, a futures merchant, commodity pool operator or a commodity trading adviser. None of SEQUOIA SFA's personnel is associated with a broker dealer or futures or commodity firm.

Thomas Lehmann is fifty percent owner of LH & Partners AG, an investment advisory firm based in Zurich, Switzerland. He has no operating influence on LH & Partners, and does not believe this relationship presents any conflicts of interest.

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

### **Code of Ethics:**

SEQUOIA SFA's Code of Ethics is based on the "Rules of Conduct" of the VQF Financial Services Standards Association regarding the Practice of Asset Management. As a member of the VQF Financial Services Standards Association, SEQUOIA SFA operates under the Rules of Conduct of the Organization for Independent Asset Managers (known as "BOVV"), which is officially recognized by the Swiss Federal Financial Market Supervisory Authority (FINMA).

These rules obligate SEQUOIA SFA and its related persons to put the interests of SEQUOIA's clients before their own interests, and to act honestly and fairly in all their dealings with clients. Specifically, the "Rules of Conduct" covers the Duties of Trust; Duties of Confidentiality, Duties of Investigation (Know Your Customer), Duties of Accountability in Investment and Transactions; Duties of Due Diligence; and Duties of Compensation. <http://www.vqf.ch/en/bovv/duty-of-subordination>

SEQUOIA SFA and its related persons, must at all times give continuous, professional and unbiased advice; and at all times act in the client's best interest while performing its duties as Investment Adviser and within the scope of its fiduciary responsibilities.

In addition, SEQUOIA SFA has developed Code of Ethics & Standards of Professional Conduct and Conflict of Interest Policies (collectively, the "Code of Ethics") to ensure its professional staff will comply with applicable securities laws and regulations when engaged to provide private markets advisory services to clients. The Code of Ethics was developed based on various U.S. securities laws and regulations governing the use of confidential information and personal securities transactions. The Code sets forth procedures and restrictions regarding personal trading and related activities of SEQUOIA SFA's professional staff that are designed to detect and prevent conflicts of interest between SEQUOIA SFA and its clients.

SEQUOIA SFA's Code of Ethics includes:

- Standards of business conduct required of our supervised persons, which standards reflect our fiduciary obligations and those of our supervised persons;
- Provisions requiring our supervised persons to comply with applicable securities laws;
- Provisions that require all of our "access persons," as that term is defined by the SEC in Rule 204A-1, to report, and SEQUOIA SFA to periodically review, their personal securities transactions and holdings;
- Provisions requiring supervised persons to report any violations of the Code of Ethics to our Chief Compliance Officer or, provided the Chief Compliance officer also receives reports of all violations, to other persons that we designate in the Code of Ethics;
- Provisions requiring us to provide each of our supervised persons with a copy of the Code of Ethics and any amendments, and requiring all supervised persons to provide us with a

written acknowledgement of their receipt of the Code of Ethics; and

- Provisions requiring access persons to obtain approval before directly or indirectly acquiring beneficial ownership in any security in an initial public offering or private placement.

A copy of SEQUOIA SFA's Code of Ethics will be provided to clients or prospective clients upon request.

**Participation or Interest in client transactions:**

SEQUOIA SFA and its related persons may buy or sell securities that are also recommended to clients. To this extent, in accordance with its fiduciary duty to its clients, SEQUOIA SFA and its related persons will always place clients' interests ahead of their own interests. Any private transaction must be executed in a manner that does not work to the disadvantage of clients' transactions or result in any conflicts of interest. Security recommendations and subsequent transactions for clients are based solely on the perceived advantage/disadvantage of the security in relation to the client's investment objectives and for the clients' economic benefit.

## **Item 12. Brokerage Practices**

SEQUOIA SFA does not select broker-dealers to execute transactions. All clients of SEQUOIA SFA maintain custody of their assets at one or more custodian banks. Each individual custodian bank maintains relationships with designated broker-dealers, and it is up to the custodian to choose the broker in order to get the best execution for the clients.

Although SEQUOIA SFA may execute block orders for clients at the same custodial bank, it does not aggregate client transactions among different custodial banks. As such, transaction costs and commissions may vary.

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

Portfolios are reviewed on an ongoing basis to determine whether the portfolio asset allocation and investments are meeting expectations. More in depth analysis is undertaken periodically for the purpose of ensuring that the portfolios are consistent with the investment objectives and individual wishes agreed upon between SEQUOIA SFA and the client.

Global economic and political events which may have significant effects on world asset prices will also trigger specific reviews in relation to the individual portfolio management mandates.

Clients are provided with a portfolio report on demand or periodically as arranged, at a minimum at the end of each quarter. The portfolio report is generally created by the custodian bank where the actual assets are held.



## Item 14. Client Referrals and Other Compensation

SEQUOIA SFA does not enter into arrangements with third parties that provide economic benefits to SEQUOIA SFA with respect to the advice it gives to its clients.

**Referral Arrangements.** SEQUOIA SFA may in certain circumstances pay cash fees to third parties for referring clients to SEQUOIA SFA as an investment adviser. If SEQUOIA SFA pays a cash fee to any person who acts as a “solicitor,” “referrer,” or “finder” of clients for SEQUOIA SFA, SEQUOIA SFA will only do so on a fully disclosed basis in accordance with SEC Rule 206(4)-3 (the “**Referral Rule**”). Generally, the Referral Rule requires that:

- The solicitor must not have been the subject of any disciplinary actions described in the Referral Rule;
- The fee paid to the solicitor must be paid pursuant to a written agreement to which the adviser is a party, and the agreement must: describe the solicitor’s activities and compensation arrangements; require that the solicitor perform the duties assigned by the adviser in a manner that complies with the requirements of the Investment Advisers Act; require that the solicitor provide clients with a copy of the adviser’s disclosure document (brochure); and, if seeking clients for personalized advisory services, require the solicitor to provide clients with a separate written disclosure document containing specified information;
- The adviser must receive from each solicited client, prior to or at the time the adviser enters into an advisory agreement, a signed and dated notice confirming that the client was provided with the adviser’s disclosure document, and if required, the solicitor’s disclosure document;
- The adviser must have a reasonable basis for believing that the solicitor has complied with the terms of the solicitor’s agreement with the adviser.

Generally, if SEQUOIA SFA arranges to make any paid solicitation fees to third parties, the payments will be a portion of the management fee that SEQUOIA SFA receives from or to be received from the solicited client, so that amount of fees to be paid by the client will not be affected by payment of the solicitation fees.

## **Item 15. Custody**

SEQUOIA SFA does not provide custodial or other banking services to clients. SEQUOIA SFA's clients retain their own custodians to hold their assets. Clients will maintain individual custodial and other banking services with a qualified custodial bank with which SEQUOIA SFA works together. A client chooses and establishes the bank account relationship directly, and receives all traditional banking services (i.e. checks, transfers, withdrawals, etc) directly from the Bank where the assets are held. Securities and other assets are always held at the bank separately for each individual client.

The custodians provide direct reporting to clients on their portfolio. SEQUOIA SFA works with its clients to review and compare custodial records to reports provided by the investment funds. Results reported by investment funds may vary from custodial statements based on accounting procedures, reporting dates, foreign exchange rates or valuation methodologies of certain securities, and SEQUOIA SFA assists its clients in reconciling these differences.

## **Item 16. Investment Discretion**

SEQUOIA SFA and each individual client enter into a written contractual agreement ( SEQUOIA SFA “Asset Management Contract”) which gives authority to SEQUOIA SFA within the framework of its portfolio management duties to determine without consultation, the asset allocation as well as the securities which are bought or sold in a client’s account.

In all cases, SEQUOIA SFA has a limited power of attorney on behalf of the client with the selected Custodian bank. SEQUOIA SFA at no time is authorized to transfer or withdraw funds apart from the agreed fee.

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

SEQUOIA SFA may acquire the right to vote proxies with respect to securities invested in a client's portfolio and for which it executes trades on behalf of its clients. According to SEQUOIA SFA's adopted code of ethics, proxies will be voted in the best interest of the individual client, and in accordance with applicable regulations.

## **Item 18. Financial Information**

SEQUOIA SFA has not been the subject of any bankruptcy petition, nor does it have any financial condition which will impair our ability to meet our contractual commitments. SEQUOIA SFA does not require or solicit prepayment of more than USD 1,200 in fees per client six months or more in advance.

**Item 19. Requirements for State-Registered Investment Advisers**

Not applicable