

Item 1. Cover Page

**BGL Family Office AG
Schöntalstrasse 5
8022 Zurich, Switzerland**

**Telephone: 01141 43 888 64 20
Fax: 01141 43 888 64 21
Website: bgl-family-office.ch**

**Investment Adviser Firm Brochure
(ADV Part 2A of Form ADV)**

December 2017

This brochure provides information about the qualifications and business practices of BGL Family Office AG. If you have any questions about the contents of this brochure please contact us at 01141 43 888 64 20 or info@bgl-family-office.ch The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

The designation “registered investment adviser” does not imply a certain level of skill or training.

Additional information about BGL Family Office also is available on the website of the SEC at www.adviserinfo.sec.gov.

Item 2. Material Changes

Since our last annual update was filed in March 2017, the following material changes have occurred:

- In November 2017 the firm relocated its office location to the address listed on the cover page of this disclosure brochure.
- In October 2016 Johan Christiaan Smit replaced Rolf M. Eberhart as Chief Executive Officer of the firm. Mr. Eberhart remained a 25% owner.
- In October 2016 Chiarello-Treuhand GmbH's 75% ownership of the firm was acquired by Trust Lab Holding AG.

Item 3. Table of Contents

Item 1. Cover Page.....	1
Item 2. Material Changes.....	2
Item 3. Table of Contents.....	3
Item 4. Advisory Business	4
Item 5. Fees & Compensation.....	6
Item 6. Performance-Based & Side-By-Side Management	9
Item 7. Types of Clients.....	10
Item 8. Methods of Analysis, Investment Strategies & Risk of Loss	10
Item 9. Disciplinary Information	13
Item 10. Other Financial Industry Activities & Affiliations	13
Item 11. Code of Ethics, Participation or Interest in Client Transactions & Personal Trading.....	14
Item 12. Brokerage Practices	15
Item 13. Review of Accounts.....	17
Item 14. Client Referrals & Other Compensation	18
Item 15. Custody	18
Item 16. Investment Discretion.....	19
Item 17. Voting Client Securities	19
Item 18. Financial Information	20

Item 4. Advisory Business

Description of the Advisory Firm

BGL Family Office AG (“BGL,” “Firm,” “we,” “our”), located in Switzerland, was founded in 2011 to provide investment management and advisory services on a fee-only basis to persons and entities who are residents of the United States and United States citizens located overseas (U.S. Persons”). The Firm has been established to afford U.S. Persons an opportunity to avail themselves of investment management and advisory services that focus on a broad range of international markets and multi-currency alternatives, in addition to U.S. dollar based investments in the U.S. markets. BGL is a wholly-owned by Trust Lab Holding AG (75%) and Rolf M. Eberhart (25%). The Firm’s place of business is located at Schöntalstrasse 5, 80222 Zurich, Switzerland

Types of Advisory Services

BGL offers a variety of investment management and advisory services, and two different fee structures. The investment management and advisory services offered by BGL are outlined and explained below and the fee structures offered by BGL are outlined and explained in Item 5: Fees & Compensation, of this brochure.

(i) **Discretionary investment management** in which the client gives us authority to make all investment decisions regarding and execute transactions in connection with the client’s assets that we manage;

(ii) **Non-discretionary investment management** in which we make portfolio recommendations, but prior to executing transactions we are required to obtain client approval to implement our recommendations; and

Clients that select us to provide either investment management or advisory services can select one of the 3 following portfolio structures:

(i) **Conservative.** Our conservative structure emphasizes real-term capital preservation with portfolio earnings obtained primarily through steady income. We focus on making recommendations and investments which have below average risk. When implementing a conservative structure, we focus on liquidity and fixed income securities (bonds) are overweighted compared to equity securities. A typical conservative structure will be composed of approximately 75% fixed-income securities and 25% equity securities.

(ii) **Balanced.** Our balanced structure is based upon obtaining real-term capital preservation and long-term capital growth, with portfolio earnings through steady income and capital and currency gains. When implementing a balanced structure we focus on making recommendations and investments that have an average risk tolerance, with some fluctuation in asset value acceptable, but we use derivative instruments to

hedge against such fluctuations. Liquidity and fixed-income securities (bonds) are either slightly over or underweighted compared to equities depending on our view of the markets and relative value considerations. A typical balanced structure will be composed of approximately 50% fixed-income securities and 50% equity securities, with these percentages adjusted based on the situation.

(iii) **Growth.** Our growth structure is based upon obtaining long-term capital growth primarily through capital and currency gains. When implementing a growth structure we focus on making investments that have an above-average risk tolerance and a higher degree of fluctuations in asset value may occur. Derivative investments are used in developing and implementing a dynamic portfolio structure. Equities are overweighted compared to liquidity and fixed-income (bonds) securities. A typical growth structure will be composed of approximately 75% equity securities and 25% fixed-income securities.

Clients that select us to provide investment management or advisory services are interviewed to assist us and the client to determine the most appropriate portfolio structure based on the client's risk tolerance, financial resources, portfolio constraints, investment objectives and expected risk and return expectations. Based on the client interview, we develop an Investment Profile that identifies the portfolio structure that is most suitable for the client, outlines the currency mix, and identifies any special instructions to be followed in managing the client's assets. Each client's Investment Profile represents the foundation from which an asset allocation strategy is designed and implemented. During the investment management process we adapt our strategies both to changes in client objectives and circumstances as well as changes in the financial, economic and market environment.

Client Tailored Services and Client Imposed Restrictions

In addition to selecting either a conservative, balanced or growth portfolio structure that is individually tailored to the needs and objectives of each client, clients may impose further restrictions on investing in certain securities or types of securities. Upon request, we will work with clients to accommodate client specific restrictions on the investments we select to implement our investment management or advisory strategy. Restrictions that are imposed by a client are included in the Special Instructions section of each client's Investment Profile.

Wrap Fee Programs

BGL does not participate in wrap fee programs.

Assets Under Management

As of December 31, 2016 BGL had the following quantity of assets under management:

Assets

Discretionary	\$ 60,800,728.00
Non-discretionary	\$ 87,711,188.00
Total	\$ 148,511,916.00

Item 5. Fees & Compensation

Fee Schedules

- **Total Assets Under Management Program**

The following is the fee schedule for separately managed individual accounts, who select to pay an annual percentage management fee based solely upon the total assets under management in their account:

Annual Percentage Fee Schedule			
Investment Strategy	Conservative	Balanced	Growth
Assets Under Management ("AUM")			
U.S. \$ - Up to \$2,500,000	0.90%	1.10%	1.20%
U.S. \$2,500,001 – \$5,000,000	0.85%	1.05%	1.15%
U.S. \$5,000,001 – \$10,000,000	0.80%	1.00%	1.10%
More than U.S. \$10,000,001		Negotiable	

- **Fee Plus Performance Basis Program**

The following is the fee schedule for separately managed accounts, who select to pay an annual management fee based in part on the total assets under management ("AUM") and in part based upon the performance of their assets under management.

The Fee Plus Performance Basis Program is available only to client's who can be designated as a "qualified client" as that term is defined pursuant to Rule 205-3 under the Investment Advisers Act of 1940, which among other factors requires an initial minimum assets under management of U.S.\$750,000.

Annual Percentage Fee Schedule Plus Performance Fee of 10% of Positive Annual Return

Investment Strategy	Conservative	Balanced	Growth
Assets Under Management ("AUM")			
U.S. \$750,000 to \$2,500,000	0.70%	0.90%	1.00%
U.S. \$2,500,001 – \$5,000,000	0.65%	0.85%	0.95%
U.S. \$5,000,001 – \$10,000,000	0.60%	0.80%	0.90%
More than U.S. \$10,000,001		Negotiable	

We do not maintain custody of client assets. We recommend that our clients establish an account with custodian bank domiciled in Switzerland that is acceptable to us, who will act as the client's custodian and executing broker or dealer ("broker") on the transactions we execute in the client's investment management account(s).

Clients that select us to provide investment management services enter into a written Investment Advisory Agreement setting forth the terms and conditions under which we will manage their assets and the manner in which fees are paid.

We do not have a minimum amount of assets to be managed. However, we charge a minimum annual management fee of 5,000 Swiss Francs (or approximately \$5,555.00 at an exchange rate of 1.00 Swiss Franc = -.90 U.S. Dollar on December 31st, 2012).

Payment of Fees

- **Total Assets Under Management Program**

The annual percentage fee for the Total Assets Under Management Program is paid quarterly in advance based on the Net Asset Value ("NAV") of the client's portfolios on the last day of each prior fiscal quarter (March, June, September and December). The fees payable shall be deducted from the client's account by the custodian bank and paid to BGL during the first month of the subsequent quarter. Investment management services initiated during any quarterly period shall be paid on a pro-rata basis upon funding of the account.

- **Fee Plus Performance Basis Program**

The annual percentage fee component of the Fee Plus Performance Basis Program is paid quarterly in advance based on the NAV of the client's portfolios on the last day of each prior fiscal quarter (March, June, September and December). The fees payable shall be deducted from the client's account by the custodian bank and paid to BGL during the first month of the subsequent quarter. Investment management services initiated during any quarterly period shall be paid on a pro-rata basis upon funding of the account.

The performance-based fee component of the Fee Plus Performance Basis Program is 10% of any positive annual return, which is calculated based upon the difference between the AUM at the beginning of the year (or if a new account, when the account is established) and the AUM at the end of the year, adjusted for any inflows/outflows of funds during the year. The performance-based fee will be paid at the beginning of every calendar year, based on the performance of the previous year. In the event that client participating in the Fee Plus Performance Basis Program decides to cancel its Investment Advisory Agreement the asset management agreement with our firm during the year, the performance-based fee will be due at the time of the cancellation, calculated as difference between AUM at the beginning of the calendar year and AUM at the time of the cancellation of the Advisory Agreement.

- **Other Factors Related to the Payment of Fees to BGL**

In most instances, our quarterly fees and performance-based fees (if applicable) will be paid directly from the client's custodian account upon receipt of the client's written authorization contained in the Investment Advisory Agreement. Prior to the payment of fees, we shall: (i) provide the custodian with a written notice of the amount to be deducted from the client's account by the custodian and paid to BGL; and (ii) provide the client with a written notice itemizing the fee, including any formula used to calculate the fee, the time period covered by the fee, and the amount of assets under management upon which such fee is based.

The custodian will provide client with statements on a regular basis, showing all disbursements from the client's account, including the management fee deducted from the account. Each client is responsible for verifying the accuracy of the fee calculation as client's custodian will not determine whether or not the fee is properly calculated.

BGL, in its sole discretion, may charge a lesser investment 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, negotiations with client, etc.).

Additional Client Fees

Our investment management and advisory fees do not include custodial fees which may be charged separately to the client by its custodian, based upon fees negotiated and agreed upon between the client and the custodian, nor do our investment management or advisory fees include brokerage commissions, which, if any, are included in and paid by the client on a transaction-by-transaction basis.

Outside Compensation

Neither the Firm nor our officers or employees accept any compensation for the sale of securities or other investment products, including asset-based charges or service fees from the sale of mutual funds.

Termination

Either BGL or the client may terminate their advisory agreement at any time by providing the other party with a written notice, which shall become effective upon receipt of the notice. Upon termination, any fees paid for a period beyond the termination date shall be returned. Fees due and payable to us shall be calculated and charged on a pro-rata basis from the date of the last fee payment to the effective date of the termination. Clients that terminate their advisory relationship with us are responsible for the securities held in their custodial account from the effective date of the termination. Therefore, the disposition of securities held in a former client's custodial account must be coordinated directly with the custodian by the former client.

Item 6. Performance-Based & Side-By-Side Management

As has been outlined and explained in Items 4 and 5 of this brochure, BGL offers its investment management services on both (i) an annual percentage fee basis, and (ii) on a combined annual percentage fee plus performance fee basis, which includes a reduced fixed annual percentage fee. As previously outlined, when we manage assets on a performance basis, the performance fee we receive in addition to our annual percentage fee is 10% of the annual increase in the AUM, adjusted for asset deposits and withdrawals. When an investment adviser, such as BGL, manages client assets simultaneously on both a performance fee and non-performance fee basis (commonly referred to as side-by-side management) there is a general perception that certain “conflicts of interest” could exist, which include: (i) the adviser may take additional risks in managing performance based assets because the adviser will share in gains and income generated in performance based accounts, and (ii) the adviser may favor performance based accounts over non-performance based accounts, again, because the adviser will receive a performance-based fee which increases with enhanced performance.

BGL recognizes that such “conflicts of interest” could exist and has established internal policies and procedures to eliminate such conflicts. Although each client’s portfolio is

individually managed, we formulate an on-going and constantly evolving strategy for each investment structure (conservative, balanced and growth). Generally, clients in each structural category are similarly invested in the currencies and securities that we believe will achieve the best results, regardless of whether their assets are managed on a performance fee or non-performance fee basis. We constantly review all client portfolios and our investment strategy for each structure to insure each portfolio is properly invested to conform to our current strategy. Any significant deviations in a portfolio's composition from our current structural strategy will be identified, discussed and modified. We also review all portfolios on an on-going basis to insure they conform to the risk parameters established for each structure. This insures that performance fee based portfolios do not exceed the risk parameters we have established for each structure. Lastly, performance fee based portfolios receive no special preference in regard to portfolio timing decisions or order execution. If we purchase or sell the same securities at the same time for multiple clients, we aggregate the securities of multiple clients into one trading block for execution, regardless of whether the client's portfolio is managed on a performance fee or non- performance fee basis. Clients whose portfolio securities are purchased or sold in an aggregated transaction will receive the same execution price, and if the aggregated purchase or sale involves several executions to complete the transaction, each client shall receive the average price paid or received on the aggregated transaction.

Item 7. Types of Clients

We provide investment advisory services to a wide range of clients, including individuals, families, corporations, trusts and charities.

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

- Conservative:**
- Seeks to achieve moderate long-term growth in the value of assets.
 - The return is generated from current income (interest/dividends) combined with capital gains.
 - Modest risk, low fluctuations in the value of assets.
- Balanced:**
- Seeks to achieve long-term growth in the value of assets.
 - The return is generated from current income (interest/dividends) and capital gains.
 - Medium risk, mid-size fluctuations in the value of assets.
- Growth:**
- Seeks to maximize asset growth long-term.
 - The return is generated from capital gains to minimal extent from current income (interest/dividends).
 - High risk, large fluctuations in the value of assets.

Our methods of analysis include reviewing the global macro-economic financial environment and political landscape to determine how to best invest via various asset classes, currencies and specific investments.

We may use a combination of both fundamental analysis as well a technical analysis in making investment decisions.

- Fundamental Analysis. In terms of fundamental analysis, we will apply fundamental economic analysis and take into consideration factors such as interest rates, inflation, unemployment, public and foreign debt, trade balances, monetary and fiscal policy, geopolitical developments and many others factors.
- Technical Analysis. In terms of technical analysis, we may only use it as a timing tool to make buying and selling decisions, rather than what securities or currencies to buy. The use of technical analysis will be very limited.

When selecting the core holdings of the equity portfolio (approximately 50-75%), we focus our rigorous fundamental analysis on factors such as cash flow, Price/Earnings ratio, Price/Book Ratio, Price/Sales Ratio, and generally select securities that are traded at a discount to the market. Even though we believe that purchasing securities at a discount to their intrinsic value provides an investor with an adequate “margin of safety,” we realize that this investment strategy carries a risk of possible loss of principal over short time periods, and our investment strategy could underperform other types of investments.

When selecting the satellite holdings of the equity portfolio (approximately 25-50%), we try to identify “trends” (i.e. alternative energy, emerging markets, etc.) and hope to outperform the market in the short term. We realize that with this part of the investment strategy there is a risk that we invest in “trends” that may never materialize in higher equity prices, or in trends’ that may be and remain out of favor and volatility may be higher than in our core holdings.

Both the core and satellite holdings carry a risk of possible loss of principal, and/or our investment strategy could underperform other types of investments.

More specifically, our investment performance may be impacted by the following factors:

- Individual security risk. A security in the portfolio may decline in value because of an unexpected change in the company’s financial condition, or an unexpected event. We attempt to reduce this risk by having a diversified portfolio. Rarely will an economic sector represent more than 25% of the total value portfolio. Also, there are individual holding maximum position sizes of approximately 5% to reduce the risk of single equity holdings.

- Market risk. Stock prices may decline over short or medium term due to general market conditions. Historically equity prices have been more volatile than fixed income securities. With our strategy we will anticipate staying invested in our core holdings since we believe it is very difficult, if not impossible, to time the market and we believe the portfolio's holdings possess very attractive long-term investment opportunities. However, since the fundamentals of a company may change or the overall market situation may deteriorate substantially, we want to have the flexibility to make changes in the core holdings or possibly reduce this portion.
- Non-U.S. issuer risk. One of the main advantages that offer to our clients the access and know-how to invest in foreign (non-U.S.) equities. Even though we believe that investing in such foreign securities reduces the overall volatility of a portfolio over the medium to long-term, there are risks associated with investing in non-U.S. securities. Such risks include local political, market or economic factors as well as currency risk. In addition, foreign issuers could have financial information that is less accurate than U.S. issuers, which creates greater risk in determining a foreign company's intrinsic value.

When selecting bonds/fixed income securities, we will focus on purchasing individual bond positions, which will make up the majority of our bond holdings. Even though holding individual bonds is a low-cost way to be invested in bonds, we may complement the individual bonds by investing in bond funds or iShares, which provides us with more diversification in certain types of fixed income securities (such as convertible bonds, inflation protected securities and high-yield bonds). On occasion, we invest in preferred stocks. We may utilize various bond lists that are composed by the bond analysts of our custodian banks and/or bonds that are listed on Bloomberg.

Even though investments in bonds are generally considered to be less risky than investments in equities, there are various risks associated when making such investments. These risks include:

- Interest Rate Risk. As interest rates increase, bond prices fall and when interest rates decrease, bond prices increase. However, how much bonds change in price with interest rates depends primarily on duration, yield and the credit rating of the issuer.
- Inflation Risk. The risk that the yield on a bond will not keep pace with a client's purchasing power.
- Call Risk. The risk that a bond will be called prior to its maturity date, causing the bond's principal to be returned sooner than expected. Issuers tend to call bonds

when interest rates fall. Consequently, if the bondholder wishes to reinvest the principal, it usually must be done so at a lower rate.

- Credit Risk. There is a risk that issuers will not make payments on the securities they issue. Also, the credit quality of a bond may be lowered if an issuer's financial condition changes. Lower credit quality may lead to greater volatility in the price of a bond, which could cause a liquidity issue and as a result our ability to sell the security when desired.
- Currency Risk. Even though a bond denominated in non-U.S. Dollars may offer a higher yield than a comparable bond denominated in U.S. Dollars, the risk of currency loss may be substantial. Therefore, one of the main factors when investing in a non-U.S. Dollar bond should therefore be the currency in which the bond is denominated in.

Even though we anticipate investing in the same bonds and equities for clients with the same investment strategy and asset level, we do not employ a "cookie-cutter" approach. We recognize the unique attributes and risk tolerance of each individual client and will manage and advise our clients accordingly.

Item 9. Disciplinary Information

We have no disciplinary information to report either in connection with the Firm or any of its staff.

Item 10. Other Financial Industry Activities & Affiliations

BGL is registered as an investment adviser in Switzerland with Financial Services Standards Association ("VQF"), Baarerstrasse 112, 6302 Zug, Switzerland. The VQF is a Self-Regulatory Organization ("SRO") officially recognized by the Federal Financial Market Supervisory Authority ("FINMA"), and the VQF is obliged to supervise its members with regard to the combating of money laundering and the prevention of the financing of terrorism.

Registration as a Broker-Dealer or Broker-Dealer Representative

Neither the Firm nor any officer or employee is registered as a broker-dealer or as a representative of a broker-dealer.

Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither the Firm nor any officer or employee is registered as a Futures Commission Merchant, a Commodity Pool Operator, or a Commodity Trading Advisor.

Registration Relationships Material to Our Advisory Business and Possible Conflicts of Interests

Neither the Firm nor any officer or employee has any material relationships that would present a possible conflict of interest.

Selection of Other Advisors or Managers and How We Are Compensated for Those Selections

We do not utilize nor select other advisors or third-party managers. All assets are managed by us.

Since our founding, we have developed business relationships with custodian banks, which provide custodial and execution services to our clients. For more detailed information regarding our relationship with custodian banks, see this brochure, Item: 12. Brokerage Practices.

Item 11. Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

Code of Ethics

BGL has developed and implemented a Code of Ethics (the "Code"), which is available to clients and potential clients upon request. We place great emphasis on complying with all applicable laws and regulations governing our practices as a registered investment adviser. Therefore, we have established guidelines in regard to the professional standards of conduct of our employees, which emphasizes the protection of client interests at all times and demonstrates its commitment to its fiduciary duties of honesty, good faith, and fair dealing with clients. All employees are expected to adhere strictly to these guidelines outlined in the Code, which requires employees submit personal securities transactions and holdings reports to BGL that are reviewed by the Firm's management on a periodic basis. Employees are encouraged to report any violations of the Code to the Firm's Chief Compliance Officer ("CCO"). Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of any material non-public information about clients or their account holdings by the Firm or any employee.

Clients may request a copy of BGL's Code by contacting lic. iur. Yves Baumann, CCO, at +41 43 888 64 20, or yves.baumann@bgl-family-office.ch.

Recommendations Involving Material Financial Interests

We do not recommend that our clients buy or sell any security in which a person associated with the Firm has a material financial interest.

Interest in Client Transactions & Personal Trading

From time to time, persons associated with BGL may buy or sell securities that are recommended to its clients or securities in which its clients are already invested. It is our policy that employees shall not have priority over any client account in the purchase or sale of securities, and their activities in securities in which clients are invested is restricted.

Employees are restricted from buying or selling a security within two (2) business days before or after the same security is bought or sold in client accounts. Under certain circumstances, the management of BGL may authorize exceptions to this trading policy.

Privacy Policy

BGL places significant focus on protecting its client's private information in accordance with the requirements of the Gramm-Leach-Bliley Act. To protect client information, BGL has implemented policies and procedures which insure that client information is kept private and secure.

BGL does not disclose any non-public personal information about clients or former clients to any non-affiliated third parties, except as permitted by law. In the course of servicing a client's account, the Firm may share some client information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

BGL restricts internal access to non-public personal information about clients to employees only on a "need-to-know" basis to facilitate its capability to provide clients with products or services.

BGL has a strict policy which prohibits selling information about current or former customers or their accounts to anyone. It is also our policy not to share client information unless required to process a transaction, at the request of the client, or as required by law. A copy of our privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the advisory agreement, and, thereafter, the Firm will deliver a copy of its current privacy policy notice to its clients on an annual basis.

Item 12. Brokerage Practices

Factors Used to Select Custodians and or Broker/Dealers

As previously outlined, since we do not maintain custody of client assets, our clients must establish a custodial account(s) with a custodian bank to maintain custody of the assets we manage. In addition to offering client custody services, our client's custodian also acts as a broker providing us with execution services for transactions in the accounts

our clients for whom they act as custodian. We are independently owned and operated and we are not affiliated with any of the custodian banks used by our clients.

In connection with client transactions, depending on the security purchased or sold and the convention of the marketplace in which the security is traded, the executing broker may be acting as either principal or agent, and clients may incur brokerage fees/commission charges and/or the costs associated with difference between the bid and offer spread on a security. We do not receive any portion of the brokerage fees/commissions or spread takeouts related to the execution of client transaction.

Although not a material consideration when recommending that a client consider using certain custodian banks for custody and execution services, BGL may receive from the custodians, without cost (and/or at a discount) research and support services and/or products, which may assist us to better monitor and service client accounts maintained at their custodian. Included within the support services that may be obtained by BGL are economic, market and individual security research, pricing information and market data, software and technology that provide access to client account data, and software and/or other products that can be used by us in furtherance of our investment advisory business.

Our clients do not pay more for investment transactions effected and/or assets maintained at their custodian, as result of this arrangement, and we have no obligation to direct any specific amount of transactional business to or purchase any particular security or service from any entity as a result of the above arrangement.

BGL's CCO, Alexander R. Lecki, is available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding perceived conflict of interest any such arrangement may create.

Best Execution

Although the commissions and/or transaction fees paid by BGL's clients shall comply with the Firm's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Firm determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage 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 brokerage services, including execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions. The brokerage commissions or transaction fees charged by the executing broker/custodian are exclusive of, and in addition to, our investment management fee.

Aggregation and Allocation of Transactions

Although each client's account is individually managed, we may purchase or sell the same securities at the same time for multiple clients. When this occurs it is often advantageous to aggregate the securities of multiple clients into one trading block for execution. Clients whose portfolio securities are purchased or sold in an aggregated transaction will receive the same execution price, and if the aggregated purchase or sale involves several executions to complete the transaction, each client shall receive the average price paid or received on the aggregated transaction.

However, if an aggregated transaction results in only a partial execution and the equal allocation of the partial execution amongst multiple clients would result in an inefficient trading unit in client portfolios, we reserve the right to allocate the transaction to specific individual clients on an equitable rotational basis so that over time no client is disadvantaged in the management of its portfolio.

Internal Cross Transactions

A cross transaction occurs when securities are purchased or sold between or among client accounts. Such transactions are executed through our executing broker and they inform us of the price before they execute the transactions. We have adopted cross transaction procedures to ensure that all clients are treated equitably. The use of cross transactions often increases the probability of completing a transaction at a better price. We will execute a cross transaction only when (i) we believe we can achieve best execution, (ii) the price of any cross transaction is fair, and (iii) no client is disfavored

Item 13. Review of Accounts

Frequency and Nature of Periodic Reviews

Client accounts are reviewed daily by the portfolio manager responsible for the account to continually assess the disposition of assets and investment performance. More rigorous reviews are conducted on at least a monthly basis.

Factors That Trigger a Non-Periodic Review of Client Accounts

In addition, factors may develop which will cause us to conduct more frequent additional reviews. These factors may include, but are not limited to, significant market volatility, changes in the client's investment objectives, or significant restructuring of client portfolios. All clients are reminded that it remains their responsibility to inform us of any changes in their investment objectives and/or financial situation. All clients are encouraged to comprehensively review their investment objectives and their account's performance with the Firm on at least an annual basis.

Content and Frequency of Client Provided Reports

Clients are provided transaction confirmations and regular summary account statements directly from their custodian. In addition, we provide our clients with periodic reports (at least quarterly) that summarize account activity, portfolio holdings and statistical performance. We urge clients to carefully review confirmations and statements received from their custodian and compare them to the reports they receive from us.

Item 14. Client Referrals & Other Compensation

Economic Benefits Provided by Third Parties for Advice

BGL may use different sources such as banks, brokerage houses and investment analysts for constructing its asset allocation models, currency allocations, as well as for receiving research on geographic regions, sectors and on individual bond and equities. We may pay a fee for such research if such research is of value to its clients.

Compensation to Non-Advisory Personnel for Client Referrals

BGL may not pay a referral fee to its own non-advisory personnel for client referrals. However, we may pay a referral fee to solicitors such as consultants, external people or firms (such as lawyers and law offices) for referring new clients to BGL. This referral fee may represent a percentage of the management fee that the Firm may earn if the referred client becomes an advisory client of BGL. Our use of solicitors as a referral source conforms with the requirements outlined by Rule 206(4)-3 of the Investment Advisers Act of 1940, which, among other things, requires a written agreement between the Firm and each solicitor, and a separate written disclosure document informing the client that the solicitor is compensated by us for referring the client and the terms of such compensation.

Clients who are referred to us by a solicitor are not disadvantaged in any way, in that they pay to us the same investment advisory fee based upon the quantity of assets under management as non-referred clients.

Item 15. Custody

BGL does not provide custodial services and we recommend that our clients establish brokerage/custodial accounts with a custodian bank to maintain custody of client assets. In addition to offering our clients custody services, each client's custodian bank provides us with execution services on client transactions. Although we recommend establishing an account with certain custodians, it is ultimately the client's decision regarding their selection of a custodian. We are independently owned and operated and we are not affiliated with any custodian.

Although we do not provide custodial services, on an individual basis we reconcile all investment positions and values held in each client's account. On a quarterly basis, we compare our investment reports with statements provided to our clients by their custodian.

Clients receive statements directly from their custodian on a regular basis, and clients should carefully review these statements. We also recommend that clients compare the statements they receive from their custodian with reviews and reports they receive directly from BGL. The information in our reports may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

Item 16. Investment Discretion

Clients who retain BGL to provide investment management services on a discretionary basis grant us full discretion over the selection and amount of securities to be purchased or sold for their accounts. Our investment discretion is granted to us by a Discretionary Investment Advisory Agreement (the "Agreement") that all clients execute when they retain us to provide advisory services.

However, our investment authority and discretion is subject to specified investment objectives, guidelines and conditions that are established in conjunction with our clients, but which may be modified and evolve over time. For example, a client may specify restrictions on the quantity or percentage of particular securities that may be held in a portfolio.

Clients who retain us to manage their assets on a non-discretionary basis retain the right to approve or disapprove specific investment recommendations that we make in connection with the management of their accounts. A non-discretionary client is not obligated to follow the investment recommendations that we provide. However, after receiving approval in connection with a specific recommendation, we will execute the transaction on the client's behalf through the client's custodian.

Clients who retain us to provide advisory services receive only portfolio recommendations and if the client elects to follow our recommendations the client is responsible for executing the transactions themselves with a broker of their choosing.

Item 17. Voting Client Securities

BGL does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type event pertaining to the client's investment assets.

Each client should insure that their custodian forwards them all proxies and shareholder communications related to the securities held in their custodial account.

Item 18. Financial Information

Balance Sheet

We are not required to attach a balance sheet for our most recent fiscal year because we do not require the prepayment of more than \$1,200 in fees per client, six months or more in advance.

Financial Condition

We are not aware of any financial condition that would impair our ability to meet our contractual commitments to our clients.

Bankruptcy Petitions in Last Ten Years

We have not been subject of a bankruptcy petition in the last ten years.