

**BROCHURE OF**  
**NAU SECURITIES LIMITED**

A United Kingdom Private Limited Company  
registered with the Securities and Exchange Commission  
as an Investment Adviser

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**This Brochure provides information about the qualifications and business practices of Nau Securities Limited. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, John N. Ferreira, at +44 20 7947 5510 or [johnferreira@nau-securities.com](mailto:johnferreira@nau-securities.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

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

**Registration as an investment adviser does not imply a certain level of skill or training.**

The Date of this Brochure is:

March 18, 2016

The delivery of this Brochure at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above.

### **Material Changes to Brochure**

There are no material changes from the previous copy of this brochure.

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**Item 4. Advisory Business.**

- (A) **Description of Our Advisory Firm.** Nau Securities Limited (“NSL”, or “us”, “we” or “our”) is a United Kingdom domiciled Private Limited Company authorized and regulated by the Financial Conduct Authority (“FCA”) that was established in 2010. NSL is also registered with the U.S. Securities and Exchange Commission (“SEC”) as a registered investment adviser. As stated on the cover page of this Brochure, registration as an investment adviser does not imply a certain level of skill or training. NSL has been in business since January 18, 2010.

NSL wholly owns Nau Securities Inc. (“NSI”), a Delaware domiciled corporation whose primary business is to provide administrative support to NSL. NSI’s principal place of business is 250 Park Avenue, 7<sup>th</sup> Floor, Suite 7071, New York, N.Y. 10177.

The principal owners and controlling persons of NSL and NSI are John N. Ferreira and Pedro Baptista (the “Principals”). References herein to “NSL” shall be deemed to include NSL’s affiliates, as applicable, unless the context otherwise requires.

- (B) **Types of Advisory Services We Offer.** NSL offers independent sales and research products which include access to analysts, company management through the arrangement of field trips and company roadshows and fundamental research on companies, sectors, industries and other analytical pieces. NSL’s services focus primary on five areas of the Latin American equities market: banks, conglomerates, consumer, infrastructure and technology, media and telecommunications. Such services are typically offered via a password protected website and through third-party distribution channels, such as Bloomberg and Reuters. NSL offers access to its services primarily to institutional asset managers, pension funds, investment managers, and insurance companies. Such services typically relate to interaction with analysts, sales people and company management together with customized research projects regarding individual issuers or sectors, and each such advisory relationship is governed by a separate, customized agreement. Such agreements do not ever involve trading or authority over a customer’s account, and accordingly, client restrictions on investing in certain types of securities are not applicable to NSL’s business.

NSL’s business is limited to helping customers in evaluating companies and sectors from a fundamental research perspective, with particular emphasis on the Latin American market. It is our belief that NSL’s independent sales and research services and the provision of direct access to companies’ management teams provides our clients with a valuable alternative perspective on a company, sector or industry’s prospects. NSL does not provide advisory services, nor does it offer advice with respect to particular trading strategies, or strategies relating to other tradable instruments (e.g., futures, options).

NSL does not manage any assets directly or in an advisory capacity on an ongoing basis; rather, NSL is typically engaged to provide independent services on an episodic basis (e.g., a specific research project). In such cases, NSL has no authority (discretionary or non-discretionary) over any customer’s assets.

- (C) **Tailoring of Our Advisory Services.** NSL tailors its independent sales and research services together with corporate access services to each client, as described in each client's customized advisory agreement or engagement letter. As stated above, such customized research focuses on the Latin American market.
- (D) **Wrap Fee Programs.** NSL does not participate in wrap fee programs.
- (E) **Amount of Client Assets We Manage.** NSL does not manage any assets directly or in an advisory capacity on an ongoing basis.

**Item 5. Fees and Compensation.**

- (A) **How We are Compensated for Our Advisory Services.** NSL is compensated for its services by charging the client a fee that is either settled by the client directly or through a Client Commission Arrangement ("CCA").
- (B) **How We Collect Our Fees.** The Fees charged to each client are negotiated and are described in each client's customized advisory agreement or engagement letter. Such fees will predominantly depend on the frequency and breadth of interaction the client requires with NSL's employees.
- (C) **Expenses Charged to Clients.** NSL does not charge expenses to clients unless such expenses are directly related to a client's specific customized research project. Such charges would be defined in a client's customized advisory agreement or engagement letter.
- (D) **Fees Paid in Advance.** NSL is typically paid in arrears on a quarterly or semi-annual basis.
- (E) **Compensation for the Sale of Securities or Other Investment Products.** NSL does not manage any assets directly or in an advisory capacity on an ongoing basis. NSL does not sell securities products nor does it sell any other investment products.

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

See Item 5.A above. Fees are not based on a share of the capital gains or capital appreciation of managed securities.

**Item 7. Types of Clients.**

As described in Item 4.B above, NSL's current clientele does not consist of individuals; NSL's clients currently consist of institutional asset managers, pension funds, investment managers, and insurance companies. NSL does not enter into securities or other investment product transactions with any of its clients.

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

**(A) Investment Strategies**

The primary method underlying NSL's research is fundamental, bottom-up, analysis. The main sources of information are derived from a company's management teams, financial information, including quote, price, and other market and financial data, financial newspapers and magazines, trade publications, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the SEC and relevant local regulators, and company press releases.

NSL does not employ any particular investment strategy with its clients, as NSL's services involve discreet analytical exercises with respect to particular issuers or sectors and it does not manage assets or direct investments for or on behalf of its clients. Furthermore, NSL primarily aims to support a customer's investment process through the provision of a dedicated sales services and corporate access solutions. NSL believes that its customers utilize its research reports only as a reference point in their implementation of their unique investment strategies. NSL itself does not offer advice or direction to any client's specific investment strategy, objective or asset allocation goals. As a result, NSL's services are typically used by a customer to develop a better understanding of a particular issuer, security or sector in their portfolios. NSL has no involvement with any subsequent decisions a client may make regarding the content of the reports or services that NSL provides.

*The investment strategy of NSL is described more fully in each client's customized agreement*

**(B), (C) Risks Attendant to Our Investment Strategies.**

All investment programs have certain risks that are borne by the client. NSL does not manage any assets directly or in an advisory capacity on an ongoing basis, therefore the typical risks inherent in an investment program are not applicable to NSL's provision of research services. Examples of risks typical to an investment program are as follows:

**Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

**Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

**Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

**Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

**Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

**Item 9. Disciplinary Information.**

Neither NSL nor any of its supervised persons have been involved in any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

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

- (A) **Broker-Dealer Registration.** Neither NSL nor any of its management persons<sup>1</sup> are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- (B) **FCM, CPO, CTA or Associated Person Registration.** Neither NSL nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- (C) **Certain Relationships or Arrangements that are Material to Our Advisory Business.** NSL does not believe it currently maintains any relationships that require disclosure under this Item 10(C).
- (D) **Recommendation or Selection of Other Investment Advisors.** NSL does not recommend or select other investment advisers for its clients.

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

- (A) **Code of Ethics.** In recognition of NSL's obligations to its clients and NSL's desire to maintain high ethical standards, NSL has adopted a code of ethics ("Code of Ethics") containing provisions designed to: (i) comply with all applicable laws and regulations; (ii) identify conflicts of interest; (iii) observe all fiduciary duties and provide a means to resolve any actual or potential conflict in favor of the client; and (iv) ensure that all

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<sup>1</sup> NSL's "management persons" consist of anyone with the power to exercise, directly or indirectly, a controlling influence over NSL's management or policies, or to determine the general investment advice given to NSL's Clients.

personnel have read the Code of Ethics, agreed to adhere to the Code of Ethics, and are aware that a record of all violations of the Code of Ethics will be maintained by NSL's Chief Compliance Officer and that personnel who violate the Code of Ethics are subject to sanctions by NSL.

NSL will provide a copy of the Code of Ethics to clients and prospective clients upon request.

- (B) **Recommendation of Investments in Which We Have a Financial Interest.** Neither NSL nor any of its related persons<sup>2</sup> recommends to clients, or buys or sells for client accounts, investments in which NSL or any of its related persons has a material financial interest.
- (C) **Investment in the Same Investments That We Recommend to Clients.** NSL does not manage any assets directly or in an advisory capacity on an ongoing basis. NSL does not buy or sell securities products nor does it buy or sell any other investment products.
- (D) **Recommendation of Investments at the Same Time We Transact in the Same Investments for Our Own Account.** NSL does not manage any assets directly or in an advisory capacity on an ongoing basis. NSL does not buy or sell securities products nor does it buy or sell any other investment products.

#### **Item 12. Brokerage Practices.**

This Item 12 is not applicable, as NSL offers research services and does not manage assets directly or in an advisory capacity. NSL will not require the services of a broker-dealer in order to conduct its research service business.

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

- (A), (B) **Our Review of Client Accounts.** Not applicable. NSL does not manage client assets.
- (C) **Regular Reports We Provide to Investors.** Each client of NSL receives the reports and documents in accordance with the terms of such client's customized advisory agreement or engagement letter.

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

No one who is not an NSL client provides an economic benefit to NSL for providing investment advice or other advisory services to NSL's clients.

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<sup>2</sup> NSL's "related persons" consist of NSL's "advisory affiliates" and any person that is under common control with NSL. NSL's "advisory affiliates" are (1) all of its officers, partners, or directors (or any person performing similar functions); (2) all persons directly or indirectly controlling or controlled by NSL; and (3) all of NSL's current employees (other than employees performing only clerical, administrative, support or similar functions).



Neither NSL nor any of its related persons directly or indirectly compensates any person who is not an NSL supervised person for client referrals.

**Item 15. Custody.**

We do not have custody of client assets. NSL does not manage any assets directly or in an advisory capacity on an ongoing basis.

**Item 16. Investment Discretion.**

NSL offers research services, and does not manage assets directly or in an advisory capacity. NSL will not require the services of a broker-dealer in order to conduct its research service business.

**Item 17. Voting Client Securities – Proxy Policy.**

This Item 17 is not applicable, as NSL offers research services, and does not manage assets directly or in an advisory capacity. NSL will not require the services of a broker-dealer in order to conduct its research service business.

**Item 18. Financial Information.**

- (A) NSL does not require or solicit prepayment of any fees six months or more in advance.
- (B) To the best of our knowledge, there exists no financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients.
- (C) NSL has not been the subject of a bankruptcy petition at any time during the past ten years.

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

This Item 19 is not applicable, as NSL is registered as an investment adviser with the U.S. Securities and Exchange Commission and not with any State governmental authority.