



1201 Dove Street, Suite 200
Newport Beach, CA 92660
949-863-9500

88 Post Road West, 3rd Floor
Westport, CT 06880
www.europac.net

Form ADV, Part 2A Appendix 1 Wrap Fee Program Brochure

8/8/2013

This wrap fee program brochure provides information about the qualifications and business practices of Euro Pacific Capital, Inc. If you have any questions about the contents of this brochure, please contact Candace Hamilton, the Chief Compliance Officer for our investment advisory business, at 949-863-9500 or chamilton@europac.net. 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.

Any reference or use of the terms “registered investment adviser” or “registered,” does not imply that Euro Pacific Capital, Inc. or any person associated with Euro Pacific Capital, Inc. has achieved a certain level of skill or training.

Additional information about Euro Pacific Capital, Inc. is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

Revised 8/8/2013

The purpose of this page is to inform you of any material changes since the last annual update to this wrap fee program brochure. If you are receiving this wrap fee program brochure for the first time, this section may not be relevant to you.

Euro Pacific Capital, Inc. ("Euro Pacific") reviews and updates our brochure at least annually to confirm that it remains current. We have not made material changes since the annual update to our brochure dated 9/6/2012.

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ITEM 4 - SERVICES, FEES AND COMPENSATION

Euro Pacific Capital, Inc. ("Euro Pacific," "we," "our," or "us") is a privately owned corporation. Euro Pacific is dually registered as an investment adviser and broker-dealer. The firm is headquartered in Westport, Connecticut, and our investment advisory unit is based out of Newport Beach, California.

Founded in 1997, Euro Pacific is a full-service broker-dealer specializing in foreign markets and securities. We are registered as a broker-dealer with the US Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority ("FINRA"). Peter Schiff, Euro Pacific's CEO and Chief Global Strategist, is the firm's majority owner. Euro Pacific has grown to include multiple branches and three divisions – Retail Brokerage, Wealth Management and Capital Markets. In June of 2009, Euro Pacific registered with the US Securities and Exchange Commission as an investment adviser.

Euro Pacific Wrap Fee Program

Euro Pacific offers discretionary account management to retail clients through a wrap fee program, as described in this brochure. Euro Pacific is the sponsor of the wrap fee program, and Euro Pacific Asset Management, LLC ("EPAM"), a related investment advisory firm, acts as sub-adviser to the program. Euro Pacific primarily invests in international securities and certain domestic securities with exposure to international markets. Our strategies may not be appropriate for clients seeking exposure to the U.S. domestic securities markets.

Under the program, the client's account will be invested according to one of five Portfolio Wrap strategies designed by EPAM. Each Portfolio Wrap strategy is allocated among various proprietary mutual funds (the "Euro Pacific Funds") to which EPAM is the investment adviser. The five wrap strategies are designed to suit clients with risk tolerance levels ranging from low to high by allocating varying percentages of the client's portfolio to Euro Pacific Funds representing asset class categories of core equity, regional equity, fixed income, and hard assets.

Fees for the Program

Clients participating in our wrap fee program pay a single bundled fee to Euro Pacific for our advisory services and commissions on transactions instead of paying these fees separately. The wrap fee clients will pay is based on a percentage of the client's assets under management, per the following schedule:

<u>Assets Under Management</u>	<u>Basic Annual Wrap Fee Schedule</u>
First \$100,000	2.00%
Next \$100,000	1.75%
Next \$300,000	1.50%
Next \$500,000	1.25%
Any additional amount over \$1 million	1.00%

Euro Pacific then pays 40 basis points of this fee to EPAM for their services as sub-adviser.

Euro Pacific may aggregate related client accounts for purposes of calculating the advisory fee applicable to the client. The actual fee charged to a client will be outlined in the investment management agreement. Euro Pacific reserves the right to negotiate fees with clients, and may waive fees or charge

higher or lower fees than those described above, at our discretion. The fees are subject to change with sixty (60) days prior written notice to the client.

Participating in the wrap fee program may cost a client more or less than purchasing investment management and trading services separately. Factors that may affect the cost of a wrap fee program relative to other compensation arrangements include: the advisory fees the client would pay for Euro Pacific's investment management services if the fees were un-bundled; the transaction and execution fees the custodian would charge to the client under a non-wrap fee arrangement; and the frequency and volume of trading activity in the client's account. Under the terms of this wrap fee program, Euro Pacific will pay trading and execution costs imposed by the custodian for transactions in client accounts. This arrangement may present a potential conflict of interest for Euro Pacific, as Euro Pacific has a financial disincentive to engage in active trading. However, transaction fees are not a material consideration for Euro Pacific in deciding whether to engage in any trading or the level of trading activity for client accounts.

The client's Euro Pacific advisory representative receives compensation when clients participate in this wrap fee program. This compensation may be more than what the advisory representative would receive if clients participated in other programs at Euro Pacific or paid separately for investment advice, brokerage, and other services, and the advisory representative may therefore have a financial incentive to recommend the wrap fee program over other programs or services.

Billing Method

Euro Pacific's advisory fees are payable quarterly in advance at the beginning of each calendar quarter based on the value of the client's account as of the close of business on the last business day of the previous calendar quarter. Quarterly fees are not adjusted for contributions or withdrawals during the quarter, except for new or terminated accounts.

For new client accounts, the initial fee is based on the value of the account as of the day the account's assets are placed under the supervision of Euro Pacific, prorated for the balance of the calendar quarter.

The market value of the assets in the account is determined by the custodian in accordance with its standard policies and practices. In the event the custodian does not provide a value for any asset(s) in the account, those asset(s) will be valued at a market value as determined in good faith by Euro Pacific.

Initial deposit or subsequent additions may be in cash or securities. Transfers of assets into the wrap account will be liquidated by the manager in order to rebalance the portfolio to the intended allocation. Transferred securities will be liquidated without regard to any transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Typically, clients give Euro Pacific the authority to instruct the custodian to automatically withdraw our quarterly advisory fee from the client's account. All clients will receive account statements from the custodian no less frequently than quarterly. The custodian statement will show the deduction of the advisory fee. At our discretion, Euro Pacific may make alternative billing arrangements for clients upon request.

Other Fees and Expenses

If existing securities are held in the client's account when the client enters the wrap fee program (from a Euro Pacific brokerage account or outside account), Euro Pacific as broker-dealer will sell all securities within the account prior to investing in the funds within the chosen wrap model. Clients will be responsible for paying all fees relating to the liquidation of existing securities. Euro Pacific will pass these fees through to the client without markup. Additional fees charged to clients of the Euro Pacific wrap fee program may include wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions including possible SEC transaction fees, postage, handling or other miscellaneous transaction related costs. Euro Pacific does not believe that these additional fees will be material, if incurred at all. Clients in the program ultimately bear these costs in addition to the wrap fees charged directly to the client.

Clients participating in the wrap fee program will not be charged sales charges for shares of the Euro Pacific Funds held in the client's account. Mutual funds are subject to deferred sales charges, 12b-1 fees, early redemption fees, and other fund-related expenses. The fund's prospectus fully describes the fees and expenses. The Euro Pacific Funds pay advisory fees to EPAM, which are indirectly charged to all holders of the mutual fund shares. EPAM and Euro Pacific manage this conflict of interest by reducing the management fees we receive by the amount of the mutual fund advisory fees and 12b-1 marketing fees we receive from the funds in which the client's account is invested.

Termination

Either party may terminate the investment management agreement upon ten (10) days written notice to the other party. The client may terminate the agreement by writing to Euro Pacific at our office. Euro Pacific does not charge any termination fees. Upon termination of the agreement, Euro Pacific will refund any prepaid, unearned advisory fees based on the effective date of termination.

Terminations will not affect liabilities or obligations from transactions initiated in the client's account prior to termination. In the event a client terminates the investment management agreement, Euro Pacific will not liquidate any securities in the account unless instructed by the client in writing to do so. Clients should understand that in the event a client requests that their account(s) be fully liquidated, it may take Euro Pacific a number of days or more to sell all the securities in the account(s) depending on the types of securities in a client's account. In the event of client's death or disability, Euro Pacific will continue management of the account until we are notified of the client's death or disability and given alternative instructions by an authorized party.

Other Compensation

As a brokerage firm, Euro Pacific accepts compensation from brokerage clients for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. This practice presents a conflict of interest and gives individuals an incentive to recommend investment products based on the compensation received, rather than on a client's needs. If an advisory client maintains a separate brokerage account through Euro Pacific and trades securities in that account, the client would pay commissions to Euro Pacific on transactions in the brokerage account.

ITEM 5 - ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Typically, clients with account values of \$50,000 or more will participate in the wrap fee program. Clients in Euro Pacific's wrap fee program include individuals, high net worth individuals, trusts and estates, and businesses. At this time, Euro Pacific does not accept retirement plan accounts subject to ERISA, and only accepts owner-only or sole proprietor plans.

Account Requirements

Generally, Euro Pacific requires a minimum account size of \$50,000 for accounts in our wrap fee program. Accounts below this minimum may be negotiable and accepted on an individual basis at Euro Pacific's discretion.

ITEM 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION

Portfolio Management

Our related adviser EPAM is the sub-adviser to Euro Pacific's wrap fee program. EPAM also acts as sub-adviser to Euro Pacific's other separately managed accounts outside of the wrap fee program. Peter Schiff as an owner and James Nelson as the Portfolio Manager of both advisers would benefit from EPAM being selected as a sub-adviser over an unrelated sub-adviser. EPAM has incentive to utilize Euro Pacific Funds over unrelated mutual funds because EPAM receives internal advisory fees from each Fund based on the level of assets in the Fund and Euro Pacific may receive commissions or other compensation for selling shares of the Fund. EPAM manages this conflict of interest by reducing the management fees they receive by the amount of the advisory fees EPAM receives from the Funds in which the client's account is invested. In addition, clients will not be charged sales commissions on shares of the Funds purchased for the client.

EPAM was selected as sub-adviser to the wrap fee program due to the consistency of its portfolio management style with Euro Pacific's investment philosophy and the close working relationship between Euro Pacific and EPAM. EPAM's management strategy is overseen by an investment team led by portfolio managers of both firms. Client accounts in the wrap fee programs are invested in publicly traded mutual funds, and the funds' reported performance is calculated according to applicable regulations.

Euro Pacific does not utilize any other sub-advisers or portfolio managers in the wrap fee program. However, some of the Euro Pacific Funds may be sub-advised by a third party manager. EPAM, as the investment adviser to the Euro Pacific Funds, is responsible for managing and overseeing the funds and any fund sub-advisers.

Advisory Business

Advisory Services Offered

Euro Pacific's Wealth Management unit offers investment management and supervisory services to clients on a discretionary basis in separately managed accounts and a wrap fee program. This wrap fee program brochure describes the services we provide to clients of the Euro Pacific wrap fee program and our investment and trading policies as they relate to wrap fee program clients. The other services Euro

Pacific offers are described in more detail in our Form ADV Part 2A brochure, which is available upon request.

When an advisory account is opened, Euro Pacific will perform an assessment of the client's financial information, which may include the client's overall investment objectives, tax considerations, risk tolerance and any investment restrictions the client may have. From there, Euro Pacific will develop a written investment policy statement ("IPS") that reflects the client's investment objective and performance goals for the assets to be managed, and also includes the client's risk profile, liquidity needs, general time horizon, tax considerations, legal considerations and any special investment circumstances. (**Please note:** Euro Pacific does not provide specific legal or tax related advice and clients should consult their independent tax and/or legal practitioners for such advice.) The IPS is then used to implement and monitor the investments in a client's account. Generally, Euro Pacific believes we can best meet the financial needs of our clients by building a portfolio of investments that we believe are best suited for the economic climate and in line with each IPS.

Tailored Services and Client Imposed Restrictions

Euro Pacific manages client accounts based on the investment strategy selected for the client, as discussed below under ***Methods of Analysis, Investment Strategies, and Risk of Loss***.

Euro Pacific assists the client in selecting an investment strategy suitable for the client's individual circumstances and financial situation. The sub-adviser then manages the client's account according to the selected strategy for the client. Euro Pacific makes investment decisions for clients based on information the client supplies about their financial situation, goals, and risk tolerance. Our investment decisions may not be suitable if the client does not provide us with accurate and complete information. It is the client's responsibility to keep Euro Pacific informed of any changes to their investment objectives or restrictions.

Client accounts will be invested in the Portfolio Wrap strategy we believe is most suitable for the account. Because client accounts are invested in mutual funds which own underlying securities collectively for all shareholders, clients participating in the wrap fee program cannot direct us to avoid specific securities. However, clients may request other restrictions on the account, such as when a client needs to keep a minimum level of cash in the account. Euro Pacific reserves the right to not accept and/or terminate management of a client's account if we feel that the client-imposed restrictions would limit or prevent us from meeting or maintaining the client's investment strategy.

Wrap Fee Programs

Euro Pacific does not recommend or participate in any other wrap fee programs sponsored by a third party firm.

Client accounts under Euro Pacific's Wrap Account program will be invested in a diversified portfolio of Euro Pacific mutual funds. Client accounts under Euro Pacific's traditional separately managed account service (not participating in the wrap fee program) will instead typically be invested in individual stocks and bonds.

Performance-Based Fees and Side-by-Side Management

Euro Pacific does not charge performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Methods of Analysis, Investment Strategies and Risk of Loss

EPAM is responsible for determining the allocation of each Portfolio Wrap strategy among various Euro Pacific Funds which represent asset classes including core equity, regional equity, fixed income, and hard assets. The Portfolio Wrap strategies are designed to reflect a range of investment objectives, with risk tolerance levels from Low (Portfolio 1) to High (Portfolio 5).

Each client completes an investment questionnaire designed to collect information about the client's investment objectives and risk tolerance. Based on this questionnaire, the client's advisory representative will recommend a Portfolio Wrap strategy consistent with the client's objectives. Euro Pacific remains the primary investment manager of the client's account and is responsible for ongoing suitability review of the strategy selected for each client.

EPAM is responsible for making all investment decisions concerning the investment and reinvestment of the assets of the Euro Pacific Funds in accordance with each Fund's investment objectives and policies, outlined in the Prospectus and Statement of Additional Information. For Funds sub-advised by a sub-adviser, EPAM is responsible for monitoring and supervising the activities of the sub-adviser. Day-to-day management of the Fund is the responsibility of the Fund's portfolio manager.

For additional information about Euro Pacific Funds, the Fund Prospectus and Statement of Additional Information are available on-line at: www.europacificfunds.com.

Investing Involves Risk

Prior to entering into an agreement with Euro Pacific, the client should carefully consider:

1. That investing in securities involves risk of loss which clients should be prepared to bear;
2. That securities markets experience varying degrees of volatility;
3. That over time the client's assets may fluctuate and at any time be worth more or less than the amount invested; and
4. That clients should only commit assets that they feel are available for investment on a long-term basis. This is typically a minimum of five to seven years.

Investors should carefully consider these facts before implementing our strategies.

Investing in foreign securities

Investing in foreign securities involves risks, such as currency controls and fluctuation, political risk, economic changes, market risks, and different accounting, auditing, financial reporting, disclosure, and regulatory and legal standards and practices. Various administrative difficulties, such as delays in clearing and settling portfolio transactions or in receiving payment of dividends can also lead to additional risk. Investments in developing countries can further heighten these risks. The prices of stocks

and the income they generate (such as dividends) may fluctuate based on events specific to the company that issued the shares, conditions affecting the general economy and overall market changes, changes or weakness in the business sector the company does business in, and other factors. Further, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices. There may be little trading in the secondary market for particular equity securities, which may adversely affect the ability to value accurately or dispose of those equity securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and/or liquidity of equity securities. As with all investments, an investor should carefully consider his investment objectives and risk tolerance as well as any fees and/or expenses associated with such an investment before investing. Euro Pacific primarily invests in international securities and certain domestic securities with exposure to international markets. Our strategies may not be appropriate for clients seeking exposure to the U.S. domestic securities markets. International investing may not be suitable for all investors.

Dividend yields change as stock prices change, and companies may change or cancel dividend payments in the future. The fluctuation of foreign currency exchange rates will impact your investment returns if measured in US dollars. Past performance does not guarantee future returns; investments may increase or decrease in value and you may lose money.

As a result of our buy-and-hold strategy, during those time periods when the US dollar is rising in value, or when global stock markets are in decline, our portfolios may lose value, priced in US dollars. Though such declines may be partially offset by dividends, investors unwilling to assume short-term volatility as a trade-off for potential absolute long-term performance should not implement this strategy.

Mutual funds

A mutual fund is a company that pools money from many investors and invests the money in stocks, bonds, short-term money-market instruments, other securities or assets, or some combination of these investments. The portfolio of the fund consists of the combined holdings it owns. Each share represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. The price that investors pay for mutual fund shares is the fund's per share net asset value (NAV) plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads).

Mutual funds have benefits including professional management, diversification, affordability, and liquidity. Mutual funds also have features that some investors might view as disadvantages:

Costs Despite Negative Returns - Mutual funds pay operating and other expenses from fund assets regardless of how the fund performs, which are indirectly charged to all holders of the mutual fund shares. Depending on the timing of their investment, investors may also have to pay taxes on any capital gains distribution they receive. This includes instances where the fund went on to perform poorly after purchasing shares.

Lack of Control - Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.

Price Uncertainty - With an individual stock, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling a broker or investment adviser. Investors can also monitor how a stock's price changes from hour to hour—or even second to

second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's NAV, which the fund might not calculate until many hours after the investor placed the order. In general, mutual funds must calculate their NAV at least once every business day, typically after the major U.S. exchanges close.

Voting Client Securities

Proxy Voting

Euro Pacific does not accept or have the authority to vote client securities. However, clients may call us if they have questions about a particular solicitation. Euro Pacific will not be deemed have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Our investment advisory agreement and/or the plan's written documents will evidence and outline this authority. For shares of Euro Pacific Funds in client accounts, EPAM will vote the proxies of the underlying securities within the funds in accordance with their proxy voting policies and procedures, but will not vote the proxies of the fund shares held by the client.

Class Actions

Euro Pacific does not instruct or give advice to clients on whether or not to participate as a member of class action lawsuits and will not automatically file claims on the client's behalf. However, if a client notifies us that they wish to participate in a class action, we will provide the client with any transaction information pertaining to the client's account needed for the client to file a proof of claim in a class action.

ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

For each client participating in the wrap program, Euro Pacific provides EPAM with the client's account information, including the Portfolio Wrap Strategy selected by the client and any client-imposed restrictions on the account. Euro Pacific will notify EPAM of any changes to this information so that EPAM can make appropriate management decisions for the client's account.

ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS

Euro Pacific maintains an open door policy in terms of the client's ability to ask questions concerning their account(s) or their current investment strategy. There are no restrictions on a client's ability to contact and consult with the sub-adviser EPAM; however, any changes in the client's investment objectives or financial circumstances should be communicated directly to the client's Euro Pacific advisory representative. Euro Pacific remains the primary investment manager of the client's account and will be the primary contact with the client.

ITEM 9 - ADDITIONAL INFORMATION

Disciplinary Information

On July 12, 2012, FINRA alleged the following violations of FINRA Rules 2010, 7450, NASD Rule 3010: the firm failed to transmit all of its reportable order events (ROES) it was required to transmit to the order audit trail system (OATS) on 273 business days. The firm's supervisory system did not provide for

supervision reasonably designed to achieve compliance with applicable securities laws, regulations and FINRA rules concerning OATS reporting. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings; therefore, the firm is censured, fined \$15,000 and required to revise its written supervisory procedures regarding OATS reporting within 30 business days of acceptance of the AWC by the NAC.

On September 19, 2011, FINRA alleged the following violations of SEC Rules 17A-3(A)(18)(I), 17A-4(B), 17A-5, 17A-10, FINRA By-laws Article V, Section 2(C), FINRA Rules 2010, NASD Rules 2110, 2210, 3010(A), 3011(A), 3011(B), 3011(E), 3012(A), 3013, 3070, 3110, 3110(D), and MSRB Rule G-41: the firm did not report timely quarterly statistical information concerning the customer complaints it received to FINRA's then 3070 system. The firm did not maintain complete complaint files and did not enforce its written supervisory procedures pertaining to customer complaint reporting and timely reporting of the complaints on Form U4 for those representatives who were the subject of such complaints. The firm did not enforce its written supervisory control policies and procedures for testing and verifying that the firm's supervisory control procedures and policies were reasonably designed with respect to the activities of the firm to achieve compliance with applicable securities laws, regulations, and SRO rules; the firm's annual Rule 3012 report did not comport with the firm's supervisory control procedures requirements for the preparation of a Rule 3012 report; the firm did not implement its supervisory control procedures to review the customer account activity of its producing managers; the firm prepared a deficient Rule 3013 certification as it did not document the firm's processes for establishing, maintaining, reviewing, testing and modifying compliance policies that are reasonably designed to achieve compliance with applicable securities laws, regulations, and SRO Rules. The firm filed a Focus Report and Schedule I report late. The firm did not preserve, in an easily accessible place, electronic emails for one of its representatives. The firm offered and sold precious metal related products through an Australian entity but did not develop and implement AML procedures related to such business. The firm did not implement and enforce its AML procedures and policies related to monitoring accounts for suspicious activity, monitoring employee conduct and accounts, red flags, and control/restricted securities; the firm's procedures contained a non-exclusive list of numerous possible red flags that could signal possible money laundering; the firm, however, did not take consistent steps to ensure that red flags in accounts were looked at. The firm's AML procedures reference that SAR-SF filings are required, under the Bank Secrecy Act; however, because the firm was not consistently reviewing exception reports or red flags, it could not consistently identify and evaluate circumstances that might warrant a SAR-SF filing. The firm did not establish and implement risk based Customer Identification Program (CIP) procedures that were appropriate to the firm's size and type of business and to provide ongoing training to appropriate personnel regarding the use of the firm's internal monitoring tools as required by its AML program. Certain pages of the firm's web site contained statements that did not comport with standards. Without admitting or denying the findings, the firm consented to the described sanctions and the entry of findings; therefore the firm is censured, fined \$150,000 (\$3,000 of which pertains to the violations of MSRB Rule G-41).

On July 28, 2010, FINRA alleged the following violations of FINRA Rule 2010, NASD Rules 1017, 2110: Euro Pacific Capital, Inc. increased the number of sales personnel, a material change in its business operations, prior to filing an application and receiving FINRA's approval for such change. Applicant continued to add sales personnel after FINRA alerted it that such activity was not in compliance with Rule 1017. Without admitting or denying the findings, the firm consented to the described sanctions and the entry of findings; therefore, the firm is censured and fined \$15,000.

On February 20, 2009, the Connecticut Banking Commissioner entered a consent order (No. CO-08-7611-S) with respect to Euro Pacific Capital, Inc. The consent order alleged that the firm 1) violated Section 36B-16 of the Connecticut Uniform Securities Act by effecting transactions in unregistered non-exempt securities; and 2) acted in contravention of Section 36B-14(D) of the Act and Section 36B-31-14F(B) of the regulations under the Act by failing to promptly provide records to the Division when requested. The consent order directed the firm to cease and desist from regulatory violations and required that it retain an independent consultant to review its internal supervisory and compliance procedures for the conformity with legal requirements. The consent order also required that the firm pay \$7,500 to the Department. Of that amount, \$6,500 constituted an administrative fine and \$1,000 would be applied to reimburse the Division for agency examination costs.

On February 4, 2009, FINRA alleged the following violations of NASD Rules 1017, 2110, 2210(D)(1)(A), 2210(D)(1)(B), 2210(D)(2)(B), 3010, 3011(A), 3011(B), 3011(E): The firm failed to timely develop and implement a written anti-money laundering program and provide anti-money laundering training. The firm failed to receive and respond to requests from Financial Crimes Enforcement Network of the US Department the Treasury. The firm failed to file an application to obtain approval from FINRA for a material change in its business operations when it accepted client funds requiring an increase in its net capital requirement, which it met. The firm's web site did not present balanced discussions of risks and contained certain misleading and unwarranted statements and contained comparisons of services that failed to disclose all material differences. The firm failed to establish and maintain a supervisory system and written procedures that were reasonably designed to ensure compliance with rules concerning best execution of customer foreign securities transactions. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings; therefore, the firm is censured and fined \$37,500.

On October 21, 2008, FINRA alleged the following violations of SEC Rule 17A-3, NASD Rules 2110, 3010, 3110: Euro Pacific Capital, Inc. failed, within 90 seconds after execution, to transmit to the OTC reporting facility last sales reports of transactions in OTC equity securities. The firm failed to show the correct time of execution on brokerage order memoranda. The firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with applicable securities laws, regulations and NASD rules concerning trade reporting. It should be noted that there was never any type of concern expressed that Euro Pacific Capital, Inc. was attempting to manipulate markets or clients in any way whatsoever. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings; therefore, it is censured, fined \$14,500 and required to revise its written supervisory procedures regarding trade reporting within 30 business days of acceptance of the AWC by the NAC. It should be noted that the required changes were made in 2006, well before the end of the reporting period in question. The problem was detected and clearly corrected well before the end of the reporting period that was reviewed, and there were no instances of reports after the 90 second limit after the correction occurred on 10/6/2006. The late reports represented less than 3% of the total trades executed by Euro Pacific during the reporting period. This was strictly a matter of regulatory trade reporting.

On January 19, 2007, NASD alleged the following violations of NASD Rule 6130(D): Euro Pacific Capital, Inc. failed to report to the NASDAQ Market Center the execution time in transactions in eligible securities. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings; therefore, the firm is censured and fined \$7,500.

On September 18, 2006, the state of Illinois entered a consent order alleging that the firm failed to file a report required to be filed by the Act, in violation of section 12.D of the Act. This form consisted of only contact information for a designated principal. The action was solely administrative in nature, and did not involve clients or trading in any way whatsoever. A form that requested contact information for the designated principal in the state was submitted late in 2006. The firm was ordered to pay a monetary fine of \$1,500, and \$500 was levied for investigative costs.

On August 10, 2005, NASD alleged the following violations of NASD Marketplace Rule 6130(B) and NASD Conduct Rule 2110: Respondent firm failed to accept or decline in NASDAQ Market Center transactions in eligible securities within twenty minutes after execution. Without admitting or denying the allegations, Respondent firm consented to the described sanctions and to the entry of findings; therefore, the firm was censured and fined \$6,000.00. This fine has been paid.

Other Financial Industry Activities and Affiliations

Dual Registration as Broker-Dealer

Euro Pacific is also registered as a full service broker-dealer with the US Securities and Exchange Commission and is a Financial Industry Regulatory Authority ("FINRA") member. Euro Pacific spends approximately 77% of our time on providing brokerage services to clients. As a full service broker-dealer, Euro Pacific sells a variety of products and services to our brokerage clients. In addition, a number of our personnel will be performing various advisory services in addition to their brokerage services. These registered representatives of Euro Pacific may execute securities brokerage transactions on a fully disclosed commission basis; however, they will not receive any commissions on transactions in advisory client accounts.

Euro Pacific, as a registered broker-dealer, also participates in the Perth Mint Certificate Program. Through this program, Euro Pacific sells gold certificates for bullion stored at the Perth Mint in Western Australia.

Euro Pacific, as a registered broker-dealer, is engaged as a Placement Agent for Euro Pacific Energy LLC, a Delaware limited liability company formed in December 2009. The LLC is raising a minimum of \$20 million in capital to drill for oil within the Williston Basin in North Dakota. The Placement Agent will receive a commission of 7% of the proceeds of the Offering and a profits interest in Euro Pacific Energy LLC, allowing the Placement Agent to benefit from the future value and profits of Euro Pacific Energy LLC. Peter Schiff, Euro Pacific's CEO and Investment Committee Chair, is a Member of the Advisory Board of Euro Pacific Energy LLC. Peter Schiff also owns a minority interest in Euro Pacific Entertainment Finance, LLC, an exempt reporting adviser that acts as the General Partner of Euro Pacific Entertainment Finance Fund, L.P. The L.P. makes loans to and invests in companies engaged in the production, sale and distribution of feature films and is only available to qualified investors. Euro Pacific Capital is engaged as a Placement Agent for the L.P.

A conflict of interest exists to the extent that Euro Pacific recommends the purchase of securities where Euro Pacific's personnel as brokerage representatives receive commissions or other additional compensation. However, clients are under no obligation to act on any recommendations of the individuals or place any transactions through them if they decide to follow their recommendations.

Related Investment Adviser

Euro Pacific is related to Euro Pacific Asset Management, LLC (“EPAM”), an SEC registered investment adviser that acts as sub-adviser to Euro Pacific advisory clients and as adviser to proprietary mutual funds. Euro Pacific and EPAM are under joint ownership and control. Peter Schiff and James Nelson are the sole owners of EPAM. Euro Pacific, as registered broker-dealer, has entered into a selling agreement with the EPAM-managed funds and will be the primary distributor for the funds. The funds are also available through various other unrelated broker-dealers. Euro Pacific, as a registered investment adviser, will not be providing any services to the funds. Euro Pacific may recommend the funds to our brokerage clients, based on clients’ needs and objectives.

Dual Portfolio Manager

James Nelson, Euro Pacific’s portfolio manager, is also portfolio manager and investment adviser representative for EPAM. As EPAM provides sub-advisory services to Euro Pacific, James Nelson devotes approximately 90% of his time to EPAM and 10% of his time to Euro Pacific.

Dual CCO

Candace Hamilton, the Chief Compliance Officer for Euro Pacific’s advisory business, is also the Chief Compliance Officer of EPAM and of New Sheridan Advisers, LLC, an unrelated investment advisory firm. Candace Hamilton allocates time as needed for each entity.

Other Related Businesses

Euro Pacific is also affiliated with/under common control with the following entities majority owned by Peter Schiff:

Euro Pacific Precious Metals, LLC, which sells gold/silver coins and bullion and receives sales commissions on coin/bullion purchases. Clients who desire to purchase coins/bullion may transact with any dealer, and are under no obligation to purchase products through Euro Pacific Precious Metals.

Euro Pacific Bank Ltd., a licensed offshore bank which owns majority interests in Euro Pacific Funds SCC Ltd., Euro Pacific Advisors Ltd., Euro Pacific International Ltd. and Global Trading Ltd., and minority interest in Euro Pacific Canada. These entities offer investment-related products and services to non-US investors only; therefore the products and services of these companies will not be offered to Euro Pacific’s advisory clients.

Codes of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Euro Pacific believes that we owe clients the highest level of trust and fair dealing. As part of our fiduciary duty, we place the interests of our clients ahead of the interests of the firm and our personnel. We have adopted a Code of Ethics that emphasizes the high standards of conduct that Euro Pacific seeks to observe. Euro Pacific’s personnel are required to conduct themselves with integrity at all times and follow the principles and policies detailed in our Code of Ethics.

Euro Pacific’s Code of Ethics attempts to address specific conflicts of interest that either we have identified or that could likely arise. Euro Pacific’s personnel are required to follow clear guidelines from

the Code of Ethics in areas such as gifts and entertainment, other business activities, prohibitions of insider trading, and adherence to applicable federal securities laws.

When associated persons engage in the types of activity described below, they must adhere to the following general principles as well as to the Code's specific provisions:

1. At all times, the interests of Euro Pacific's clients must come first;
2. Employee personal security transactions must be conducted consistent with the Code in a manner that avoids actual or potential conflict of interest; and
3. No inappropriate advantage should be taken of any position of trust and responsibility.

Euro Pacific has two categories of associated persons. Access Persons include all of the firm's advisory associates. Investment Persons include the firm's Chief Investment Officer, portfolio manager, advisory analysts, and advisory Chief Compliance Officer.

Procedures regarding trading by advisory associates in Personal Accounts

Euro Pacific's advisory associates are subject to personal trading policies governed by the Code of Ethics. Euro Pacific or our personnel may trade in securities for our/their own accounts. The securities we trade in may be the same securities we recommend to clients, or they may be securities that do not meet the criteria of our investment process or we do not feel are appropriate for clients. We may also trade in related securities (e.g., warrants, options, or futures). Our personal trading practices present a potential conflict of interests as we may have an incentive to take investment opportunities from clients for our own benefit, favor our personal accounts over client accounts when allocating trades, or to use the information about the transactions we intend to make for clients to our personal benefit by trading ahead of clients.

Our policies to address these conflicts include the following:

IPO/Limited Offerings: No Access Person may purchase or sell shares of certain securities in an Initial Public Offering or Secondary Offering or that is otherwise limited without pre-approval from the advisory Chief Compliance Officer.

Pre-clearance Policy: No Investment Person may purchase or sell, when the size of that transaction exceeds a specified size or value (identified as de minimis transactions deemed not to be in conflict with clients), without prior written approval from the advisory Chief Compliance Officer, any security:

1. Already owned by Euro Pacific advisory clients,
2. Which are considered reportable securities (as that term is defined in the Code);
3. Relating to any security that the Investment Person is aware is being considered for purchase or sale by Euro Pacific for advisory accounts.

Ban on Short-term Trading Profits: Investment Persons must hold securities purchased under a de minimis transaction for a period of not less than thirty (30) days from date of acquisition.

Because these policies are intended to protect the interests of clients, we may make exceptions where we feel clients would not be harmed.

Gifts

No advisory associate will give or receive any gift or other item of more than \$100 in value to/from any person or entity that does business with or on behalf of Euro Pacific without prior approval from the advisory Chief Compliance Officer. All gifts given and received must be reported to the advisory Chief Compliance Officer.

Misuse of Non-Public Information

No advisory associate will divulge or act upon any material, non-public information, as such activity is defined under relevant securities laws and in Euro Pacific's written Insider Trading Policy.

Reporting and Compliance Procedures

Submission of Quarterly and Annual Reports: All Access Persons are required to report to Euro Pacific's Compliance Department complete information regarding security transactions in their personal accounts that took place during each quarter. In addition, all Access Persons are required to submit to the Compliance Department, on an annual basis, a complete report of all their security holdings and brokerage accounts.

Annual Acknowledgement of Code of Ethics: Every advisory associate receives a copy of the Code initially upon hire and anytime an amendment has taken place. Every advisory associate is required to read and understand the requirements of the Code and then submit to the Compliance Department a certification acknowledging receipt of the Code.

Sanctions: If it is determined that a violation of the Code has occurred, Euro Pacific senior management may impose such sanctions as it deems appropriate, including, but not limited to, disgorging profits made by the violator, suspension of employment, and/or dismissal from Euro Pacific.

A complete copy of Euro Pacific's current Code of Ethics is available by sending a written request to the advisory Chief Compliance Officer at 1201 Dove Street, Suite 200, Newport Beach, CA 92660, or by calling Euro Pacific at 949-863-9500.

Review of Accounts

Client Account Reviews

EPAM's Portfolio Manager reviews each Euro Pacific Fund's portfolio on an ongoing basis as market activity of portfolio holdings may warrant. The Investment Team is responsible for the ongoing management and monitoring of the Portfolio Wrap strategies.

Reviews of client accounts are usually performed by the investment adviser representative ("IAR") assigned to the account. There is no maximum number of accounts that could be assigned to each IAR.

The IAR typically offers one-on-one client portfolio reviews to the clients at least annually to review the client's investment policy. Clients are encouraged to contact Euro Pacific anytime via email or phone to address any questions or concerns.

Account Reporting

Clients receive quarterly written reports from Euro Pacific showing the client's account balance, activity during the quarter, and the amount of advisory fees paid to Euro Pacific. Clients also will receive monthly and/or quarterly written account statements from their custodian.

Client Referrals and Other Compensation

Support Products and Services

Euro Pacific requires clients to establish a brokerage account with our brokerage division and custody their assets with a third-party custodian/broker chosen by Euro Pacific ("Custodial Broker"). Euro Pacific requires that clients maintain their accounts with Euro Pacific's clearing firm National Financial Services LLC ("NFS"), a Fidelity Investments company. Factors considered by Euro Pacific in choosing the Custodial Broker include, but are not limited to, the reasonableness of their commissions, product availability, research and other services available to both the client and Euro Pacific. Euro Pacific continually attempts to obtain any and all services available from the Custodial Broker.

The Custodial Broker may provide Euro Pacific with access to their institutional trading and custody services, which are typically not available to retail investors. These services are generally available to independent investment advisers on an unsolicited basis. Some of the services provided by Custodial Broker also include brokerage, custody, research, and access to certain mutual funds and other investments that may not otherwise be available to non-institutional investors or would require a significantly higher minimum initial investment.

The Custodial Broker may also make available to Euro Pacific other products and services that benefit Euro Pacific but may not benefit our clients' accounts. Some of these other products and services may assist Euro Pacific in managing and administering clients' accounts. These may include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitation of trade execution (and allocation of aggregated trade orders for multiple client accounts), providing research pricing information and other market data and assisting with back-office functions, recordkeeping and client reporting. Many of these services may be used to service all or a substantial number of Euro Pacific's accounts, including accounts not maintained at the Custodial Broker providing the services. The Custodial Broker may also make available to Euro Pacific other services intended to help Euro Pacific manage and further develop our business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, the Custodial Broker may make available, arrange and/or pay for these types of services rendered to Euro Pacific by other independent third parties. While as a fiduciary, Euro Pacific endeavors to act in our clients' best interests, Euro Pacific's requirement that clients maintain their assets in accounts at the Custodial Broker may be based in part on the benefit to Euro Pacific of the availability of some of the foregoing products and services.

In addition, due to the fact that Euro Pacific does not directly pay for these services, including any research received, it may be construed as receipt of an economic benefit by Euro Pacific and therefore, a conflict of interest between Euro Pacific and the client.

Financial Information

Registered investment advisers are required in this item to provide clients with certain financial information or disclosures about the firm's financial condition. Euro Pacific does not require the prepayment of more than \$1,200 in fees per client, six months or more in advance, and does not have or foresee any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy proceeding.

PRIVACY POLICY STATEMENT

We at Euro Pacific Capital, Inc. recognize the importance of protecting the confidentiality of nonpublic personal information that we collect about our customers (for the purpose of this document, the term "our customers" refers to you). The information is used to ensure accuracy in reporting and record keeping, to maintain our customers' accounts, and to carry out requested transactions. Keeping this information secure is a top priority for us, and we are pleased to share with you our privacy policy.

1. We collect nonpublic personal information about our customers from the following sources:

- Applications or other forms (such as name, address, social security number, assets, and income).
- Customers' transactions with us, their financial organizations or others.
- Consumer reporting agencies (such as credit worthiness and credit history).

2. Our internal data security policies restrict access to nonpublic personal information to authorized employees. We maintain physical, electronic, and procedural safeguards that are designed to comply with federal standards to guard our customers' nonpublic personal information. Employees who violate our data security policies are subject to disciplinary action, up to and including termination.

3. We may disclose nonpublic personal information about our customers to our affiliates, such as banks, mortgage lenders, and securities broker-dealers, in order to provide our customers with access to product offerings and product upgrades, and in order for our affiliates to provide services to us, such as data processing and loan servicing. We may disclose to our affiliates all of the information that we collect, as described above.

4. We may disclose nonpublic personal information about our customers to nonaffiliated third-parties with whom we have contracted to perform services on our behalf, such as, printing, mailing, fraud prevention, and data processing services, as well as nonaffiliated financial organizations with which we have clearing agreements. We may disclose all of the information that we collect, as described above. We may also disclose nonpublic personal information about our customers as permitted or required by law.

5. We do not disclose nonpublic personal information about former customers, except as permitted or required by law.

6. If our customers visit the Euro Pacific Capital, Inc. internet web site, we may occasionally use a "cookie" in order to provide better service, to facilitate our customers' use of the web site, to track usage of the web site, and to address security hazards. A cookie is a small piece of information that a web site stores on a personal computer and which it can later retrieve. We may use cookies for some administrative purposes, for example, to store our customers' preferences for certain kinds of

information. None will contain information that will enable anyone to contact our customers via telephone, e-mail, or any other means. If our customers are uncomfortable with the use of cookie technology, they can set their browsers to refuse cookies. Certain of our services, however, could be dependent on cookies and our customers may disable those services by refusing cookies.