
BC GESTÃO DE RECURSOS LTDA.

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This brochure provides information about the qualifications and business practices of BC Gestão de Recursos Ltda. (“Brasil Capital”). If you have any questions about the contents of this brochure, please contact us at +55 11 5105-0612 or via email at felipe.graner@brasil-capital.com. 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.

Brasil Capital is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information that enables you to determine whether to hire or retain an adviser.

Additional information about Brasil Capital also is available on the SEC’s website at www.adviserinfo.sec.gov.

April 1st, 2020

ITEM 2 – MATERIAL CHANGES

In the future, this item will discuss only specific material changes that are made to the brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business's fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Currently, our brochure may be requested by contacting the Chief Compliance Officer, Felipe Graner, at +55 11 5105-0612.

Additional information about Brasil Capital is also available via the SEC's web site www.adviserinfo.sec.gov.

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ITEM 4 – ADVISORY BUSINESS

Adviser’s Advisory Business

BC Gestão de Recursos Ltda., a Brazilian limited liability company (*sociedade limitada*) (“Brasil Capital” or “Adviser”), is an investment manager providing investment management services primarily for investment funds and other sophisticated clients on a discretionary basis. Brasil Capital was established in 2008 and is held by a group of professionals with meaningful experience in the Brazilian equities market and with sound track record. We encourage visiting our website www.brasilcapital.com for additional information.

Currently most professionals in the company are shareholders but none of them owns 25% or more of Brasil Capital.

Types of Advisory Services Adviser Offers

Brasil Capital provides its clients with discretionary investment management services mainly focused on Brazilian listed equities. Notwithstanding, such services may also be performed with respect to equity securities issued by non-Brazilian companies that are publicly traded on any exchange worldwide.

Advisory services offered to clients generally follow the same overall investment strategy. Subject to specific asset restrictions that may be set out in certain advisory agreements, purchases or disposals of assets and securities are equitably allocated to all client accounts on a pro rata basis.

Brasil Capital serves its clients that are private funds (the “Funds”) through investment management agreements, under which securities portfolios may hold investments directly or indirectly. The Funds include the following entity:

- Brasil Capital Equity Fund, a Cayman Islands based exempted company limited by shares, which may arrange for the private placement of its shares to investors who are in the United States or who are U.S. Persons (as defined under Regulation S under the U.S. Securities Act of 1933, as amended).

Shares of the Funds are not registered securities under the U.S. Securities Act of 1933, as amended (the “Securities Act”). In addition, these Funds are not registered as investment companies under the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, shares of these Funds are offered and sold in the United States and to United States persons exclusively to those investors satisfying the applicable eligibility and suitability requirements in private transactions pursuant to available exemptions under the Securities Act, the Investment Company Act and any applicable U.S. state securities laws.

In addition, Brasil Capital provides investment management services to various Brazilian domiciled funds (the quotas of which are not generally offered to U.S. Persons) and also serve separately managed accounts. Certain of these managed accounts are owned by U.S.

Persons.

Brasil Capital provides investment management services to its clients in accordance with the objectives and guidelines applicable to each client, as set out in the offering document of each Fund (e.g., the “Offering Memorandum”), provisions in the investment management agreements, the managed account forms of its managed account clients, or the by-laws of each Brazilian domiciled fund.

Investment Restrictions

The investment objectives, risk tolerance and financial circumstances of the Funds are generally described in their Offering Memoranda. Clients may impose reasonable restrictions on the management of their accounts, including by restricting particular securities or types of investments. Clients should be aware that performance of restricted accounts may differ from performance of accounts without such impediments, possibly producing lower overall results.

Wrap Fee Programs

Brasil Capital does not participate, sponsor or act as a portfolio manager for any wrap fee programs.

Assets Under Management

As of February 29, 2020, Brasil Capital had assets under management of US\$1,706,901,326.35, of which all was managed on a discretionary basis.

ITEM 5 – FEES AND COMPENSATION

Brasil Capital’s Basic Management Fees

The specific manner in which fees are charged by Brasil Capital is established in a client’s written agreement with Brasil Capital and, with respect to the Funds, are disclosed in their Offering Memoranda. Generally and pursuant to contract, fees for the management of the Funds will be based upon a percentage of the total assets in the account (including margined assets).

Brasil Capital’s actual fees, minimum fees and minimum account sizes may also be negotiated and may vary from the fees described above. A client may pay more or less fees than similar clients depending on the particular circumstances of the client, size, liquidity terms, additional or differing levels of servicing or as otherwise agreed with specific clients.

The fee arrangements and terms for separately managed accounts are individually negotiated and are only disclosed in the respective advisory agreements.

Calculation and Deduction of Management Fees

Brasil Capital generally deducts fees from investor's assets in the Funds on a monthly basis. Investors are not given the option to choose to be directly billed for fees incurred.

Brasil Capital does not, and will not, have the authority to deduct advisory fees or other expenses directly from any separately managed accounts Brasil Capital may establish. Brasil Capital will charge fees in relation to separately managed accounts by sending an invoice directly to the client.

Other Fees and Expenses

In addition to investment management fees described above and the performance-based fees described in Item 6 below, investors in the Funds will indirectly bear any other costs charged to the Funds. Such costs will vary and typically include, though are not limited to, accounting, legal, fund administration fees and other related costs. Furthermore, Brasil Capital's fees are exclusive of brokerage commissions (please refer to Item 12 of this brochure), transaction fees, and other related costs and expenses which shall be incurred by the client. The impact of mark-ups and mark-downs shall also be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by sub-managers, custodial fees, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and charged before Brasil Capital's fees, and Brasil Capital shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Brasil Capital considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

With respect to Brasil Capital Equity Fund, subscriptions for its shares may be subject to a subscription fee or initial charge in an amount to be determined by Brasil Capital Equity Fund in its sole discretion to set-off any taxes or other payments that will be payable by Brasil Capital Equity Fund or any investment subsidiary in connection with the investment by Brasil Capital Equity Fund or any investment subsidiary of such subscription proceeds in capital and financial markets.

Prepaid Fees

Brasil Capital generally does not charge clients fees in advance.

Compensation for the Sale of Securities

Neither Brasil Capital nor its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of investment funds.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

In addition to management fees, Brasil Capital will generally receive a performance fee from each private fund, including the Funds, that it manages. The calculation of the performance fee is described in the Funds' respective Offering Memoranda and it is subject to a benchmark provision.

Currently, all the accounts that Brasil Capital manages (other than certain accounts that are owned by Brasil Capital Persons (as defined below) and their related parties) are charged both a performance-based fee or allocation and a management fee. Because all such accounts are charged consistently, the performance-based fee or allocation arrangements do not create an incentive for Brasil Capital to favor certain accounts over other accounts. However, if in the future, Brasil Capital manages accounts that are not charged consistently, performance-based fee or allocation arrangements may create an incentive for Brasil Capital to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements may also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. In such cases, Brasil Capital would have procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

ITEM 7 – TYPES OF CLIENTS

Brasil Capital provides investment advisory services primarily for investment funds and other sophisticated clients on a discretionary basis.

Generally, the minimum dollar value of assets required to establish an investment advisory account varies depending on the view of the account's strategy and investors' profile. Moreover, Brasil Capital reserves the authority to waive the account minimum as it deems appropriate.

Details concerning applicable suitability criteria for investment in the Funds are set forth in the respective Fund's Offering Memoranda and subscription application materials or investment management agreements.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General Investment Strategies and Methods of Analysis

Brasil Capital's general strategy seeks to achieve above average long-term returns by investing through a single investment portfolio in stocks traded at prices that it considers substantially below their intrinsic value ("value investing"). The investment strategy is mainly focused on Brazilian listed equities. Notwithstanding, investments may also be made for instance in equity securities of non-Brazilian companies that are publicly traded

on any exchange worldwide.

Subject to specific asset restrictions that may be set out in certain advisory agreements, purchases or disposals of assets and securities are equitably allocated to all client accounts on a pro rata basis.

The primary basis for Brasil Capital's investment decisions is fundamental analysis backed by extensive proprietary research. Brasil Capital's portfolio is fairly diversified into a number of issuers (usually 20 to 25 across different sectors).

Throughout the research process, the investment team actively searches for companies presenting the following factors:

- Robust business model;
- Alignment between management team and shareholders; and
- Stock price failing to reflect the elements above.

The specific investment strategy terms applicable to each Fund are described in their respective Offering Memoranda. The specific investment strategy terms applicable to the managed accounts under Brasil Capital's management are described in the relevant agreement which regulates the management of such managed accounts.

Material Risks for Significant Investment Strategies

While it is the intention of Brasil Capital to implement strategies which are designed to minimize potential losses suffered by its clients, there can be no assurance that such strategies will be successful. It is possible that a client may lose a substantial portion or all of its assets in connection with investment decisions made by Brasil Capital. The following is a discussion of material risks for Brasil Capital's significant investment strategies, but it does not purport to be a complete explanation of the risks involved in Brasil Capital's investment strategies. The particular risks associated with an investment in any of its Funds are discussed in their respective offering documents, such as the Funds' respective Offering Memoranda.

Overall investment risk

All investments in securities risk the loss of capital. There may be increased risk due to the nature of the securities to be purchased and traded by the Funds and the investment techniques and strategies used to try to increase profits. While Brasil Capital will devote its best efforts to the management of the Funds' portfolios, it cannot give an assurance that the Funds will not incur losses. Many unforeseeable events, including actions by various government agencies and domestic and international political events, may cause sharp market fluctuations.

Investment objective

There is no guarantee that in any time period, particularly in the short term, a client's portfolio will achieve appreciation in terms of capital growth or that a client's investment

objective will be met by Brasil Capital.

General Economic and Market Conditions

The success of Brasil Capital's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of security prices and liquidity of its clients' investments. Unexpected volatility or liquidity could impair the clients' profitability or result in its suffering losses.

Highly Volatile Markets

The prices of securities and commodities contracts and all derivative instruments, including futures and options can be highly volatile. Price movements of forward, futures and other derivative contracts in which clients' assets may be invested by Brasil Capital are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instruments, futures and options. Intervention often is intended directly to influence prices and may, together with other factors, cause all such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Brasil Capital's clients shall be aware that they also are subject to the risk of the failure of any exchanges on which its positions trade or of their clearinghouses.

Risks of Securities Activities

All securities investing and trading activities risk the loss of capital. Although Brasil Capital will attempt to moderate these risks, no assurance can be given that Brasil Capital's investment activities will be successful or that its clients will not suffer losses. To the extent that the managed portfolio is concentrated in securities of a single issuer or issuers in a single industry, the risk of any investment decision made by Brasil Capital is increased.

Currency Hedging Techniques

Brasil Capital may employ certain currency related transactions in the pursuit of its clients' investment objectives. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. Brasil Capital may try to hedge these risks by investing in, among other things, forward currency contracts, but there can be no assurance that such strategies will be implemented, or if implemented, will be effective.

Material Risks for Particular Types of Securities and Instruments

Non-U.S. Securities

Investing in securities of non-U.S. governments and companies that are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Brazilian Markets Securities

Brasil Capital may invest, on behalf of its clients, in a wide range of instruments and securities issued by companies, financial institutions and entities located in Brazil. The economic and political conditions in Brazil differ from those in developed markets, and offer less social, political and economic stability. These investments may be volatile and subject to political developments and/or changes in laws, taxes and exchange controls, all of which could adversely affect the net asset value of the portfolios managed by Brasil Capital.

Derivatives

Brasil Capital, on behalf of its clients, may invest in, or enter into, derivatives or derivatives transactions (“derivatives”). Derivatives entered into by Brasil Capital, on behalf of its clients, can be volatile and involve various types and degrees of risk, depending upon the characteristics of a particular derivative and client. Derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in derivatives could have a large potential effect on performance of the portfolios managed by Brasil Capital. The use of derivatives may include swaps and total return swaps, forwards, options and futures. If the investment in derivatives is made at inopportune times or incorrectly judges market conditions, the investments may lower the return of the client or result in a loss. The client also could experience losses if derivatives are poorly correlated with its other investments, or if Brasil Capital, on behalf of the client, is unable to liquidate the position because of an illiquid secondary market. The market for many derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives.

Counterparty and Custodial Risk

To the extent that the Brasil Capital on behalf of its clients invests in swaps, “synthetic” or derivative instruments, repurchase agreements, forward contracts, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, the clients take the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. This risk may differ materially from those entailed in exchange-traded transactions that generally are supported by guarantees of clearing organizations, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions

entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. There are risks involved in dealing with the custodians or prime brokers who settle clients' trades.

ITEM 9 – DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of an adviser or the integrity of the adviser's management. Brasil Capital has no information applicable to this Item 9.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Broker-Dealer Registration

Brasil Capital's management persons are not registered and do not have applications pending to register with the SEC as a broker-dealer or registered representatives, respectively.

Commodity Pool Operator, Commodity Trading Adviser, Futures Commission Merchant Registration

Brasil Capital is not registered with the Commodity Futures Trading Commission ("CFTC") as a futures commission merchant ("FCM"), a commodity pool operator ("CPO") or a commodity trading advisor ("CTA"). Brasil Capital has made exemption filings with the CFTC pursuant to CFTC Rules 4.13(a)(3).

Other Material Relationships

Brasil Capital does not have any relationships or arrangements that are material to Brasil Capital's advisory business or to its clients that Brasil Capital or any of its management persons have with any of the following related persons: (i) a broker-dealer, municipal securities dealer, or government securities dealer or broker; (ii) an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund) (other than the Funds); (iii) any other investment adviser or financial planner (with the exception of certain distribution and/or referral arrangements described in item 14 below); (iv) a futures commission merchant, commodity pool operator, or commodity trading advisor; (v) a banking or thrift institution; (vi) an accountant or accounting firm; (vii) a lawyer or law firm; (viii) an insurance company or agency; (ix) a pension consultant; (x) and a real estate broker or (xi) dealer sponsor or syndicator of limited partnerships (other than sponsoring the Funds).

Receipt of Compensation from Investment Advisers

Brasil Capital does not receive compensation directly or indirectly from investment advisers and does not have other business relationships with other investment advisers.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

Brasil Capital has adopted a code of ethics (the “Code”). All Brasil Capital Persons (as defined below) must adhere to the Code and any other procedures in place at the Adviser. In short, Brasil Capital is committed to maintaining the highest legal and ethical standards in the conduct of its business. As fiduciaries, Brasil Capital and its employees place clients’ interests above their own. Meeting this commitment is the responsibility of the firm and each and every one Brasil Capital Person.

Brasil Capital will provide a copy of the Code to any client or prospective client upon request.

Participation or Interest in Client Transactions, Recommendations and Trading

Brasil Capital has adopted a personal trading policy governing the ability of its partners, associates, employees and interns (the “Brasil Capital Persons”) to trade securities pursuant to the following principles and rules:

- Brasil Capital Persons shall put the interests of its clients first always respecting the laws and rules established by the regulatory authorities;
- Brasil Capital Persons must respect the rules and provisions established in the Code so that the investments made by them, and by Brasil Capital itself, avoid conflict of interest;
- Brasil Capital Persons shall not take inadequate advantage of their activity, following a basic standard of conduct that all men of honor (*probo*) shall follow;
- Brasil Capital Persons are allowed to hold and trade stocks only with the express authorization of Brasil Capital’s compliance committee, which will meet to analyze the requests made by such Brasil Capital Persons. The investments will be subject to a lock-up of 180 days and the relevant trading will be forbidden during the period in which the investment funds under management of Brasil Capital are trading the same stock;
- Brasil Capital Persons are allowed to invest in fixed income securities and investment funds at any time without the prior authorization of Brasil Capital;
- Brasil Capital Persons are prohibited from trading with derivatives in the financial markets equity derivatives;
- Brasil Capital Persons are prohibited from investing in exclusive or restricted investment funds except with the approval of Brasil Capital’s partners;

- Brasil Capital Persons shall not utilize (for itself or for third parties) information to which such Brasil Capital Persons have access for trading with securities; and
- Brasil Capital Persons are prohibited from utilizing for their own benefit information of the portfolio of investment funds managed by Brasil Capital to which such Brasil Capital Persons have access.

The personal trading policy combined with the single investment portfolio approach and the allocation policy described in Item 8 are designed to avoid conflict of interest and misuse of non-public information.

All Brasil Capital Persons must adhere to the personal trading policies.

ITEM 12 – BROKERAGE PRACTICES

Broker-Dealer Selection

In the course of providing its services, Brasil Capital will execute trades for its clients through broker-dealers. When a client has given Brasil Capital broker discretion, there is no restriction on the brokers Brasil Capital may select to execute client transactions. Brasil Capital's general guiding principle is to trade through broker-dealers who offer the lowest net price and best execution available, consistent with its clients' investment objectives and good practices, under the particular circumstances. With respect to execution, Brasil Capital may consider a number of factors, including if the broker has custody of client assets, the actual handling of the order, the ability of the broker-dealer to settle the trade promptly and accurately, the financial standing of the broker-dealer, the ability of the broker-dealer to position stock to facilitate execution and other factors which may be unique to a particular order. Based on these judgmental factors, Brasil Capital may trade through broker-dealers that charge fees that are higher than the lowest available fees. In addition, Brasil Capital may cause a client to pay a commission that is higher than the lowest available commission if it believes that the value of the products and services, execution and other services rendered by the broker are reasonable in relation to the amount of the commission.

Research and Other Soft Dollar Benefits

Consistent with obtaining best execution, brokerage commissions on client portfolio transactions may be directed to brokers in recognition of research services furnished by them, as well as for services rendered in the execution of orders by such brokers. Brasil Capital currently has no formal soft dollar agreements and has not, since it started operations, directed client transactions to any particular broker-dealer in return for any soft dollar benefits, although Brasil Capital received research services from broker-dealers. However, currently, there is no agreement or formula for the allocation of brokerage business on the basis of such research services. Furthermore, it is generally Brasil Capital's policy that the use of commission or "soft" dollars (including dealer markups or markdowns) to pay for proprietary and/or third party research or brokerage products or services will fall within the safe harbor for soft dollars created by Section 28(e) of the Exchange Act.

The research services provided to Brasil Capital by broker-dealers generally may include information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis, analysis of corporate responsibility issues, and post-trade services or communication services related to executing, clearing and settlement of transactions. Such research services are received primarily in the form of written reports, telephone contacts, and personal meetings with security analysts. In addition, such research services may be provided in the form of access to various computer-generated data, computer software, and meetings arranged with corporate and industry spokespersons, economists, academics, and government representatives.

As a general matter, research services are used to service all of Brasil Capital's clients. The commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to the Brasil Capital's clients by brokers may be higher than those charged by other brokers who may not offer such proprietary or third party services, capabilities or characteristics as described above. This may be done where Brasil Capital has determined in good faith that such commission is reasonable in relation to the value of brokerage and research services received. In reaching such a determination, Brasil Capital would not be required to place or attempt to place a specific dollar value on the brokerage or research services provided by such broker. However, as noted above, Brasil Capital ensures that, when allocating trades to clients, each client is treated fairly and equitably over time in the execution of transactions.

Brokerage for Client Referrals

Brasil Capital does not consider, in selecting or recommending broker-dealers, whether Brasil Capital or a related person receives client referrals from a broker-dealer or third party.

Directed Brokerage

Brasil Capital generally has the discretionary authority to determine and direct execution of portfolio transactions within the client's specified investment objectives without prior consultation with the client on a transaction-by-transaction basis.

Aggregation of Trades

Brasil Capital has the fiduciary duty to execute orders for its clients fairly and equitably. Brasil Capital follows written procedures pursuant to which it may, for clients who permit it, and to the extent consistent with best execution, combine purchase or sale orders for the same security for multiple clients (sometimes called "bunching") so that they can be executed at the same time. The procedures followed by Brasil Capital may differ depending on the particular strategy or type of investment. Brasil Capital is not required to bunch or aggregate orders if: (1) portfolio management decisions for different accounts are made separately; (2) Brasil Capital determines that bunching is not practicable; and (3) Brasil Capital may be able to negotiate a better price and lower commission rate on aggregated

trades than on trades for accounts that are not aggregated. Where transactions for a client's account are not aggregated with other orders, it may not benefit from the better price and lower commission rate. Because of prevailing trading activity, it may not be possible to receive the same price or execution on the entire volume of securities purchased or sold. When this occurs, the various prices may, in Brasil Capital's discretion, be averaged and accounts will be charged or credited with the average price. The effect of such aggregation may operate on some occasions to an account's disadvantage.

ITEM 13 – REVIEW OF ACCOUNTS

Review of Accounts

Client's portfolios are reviewed on a continuous basis by the investment team. These reviews are designed to monitor and analyze the transactions, positions, investment levels, risk limit adequacy and mandates of each account. Particular attention is given to changes in macro-economic policies and fundamentals (from developed and emerging economies perspectives), industry outlooks, market outlooks, and price levels. These reviews are performed on a daily basis by Brasil Capital's investment committee.

Brasil Capital also performs reviews of its client's accounts as appropriate based on, among other things, changes in market conditions, security positions or changes in a client's investment objective or policies.

Upon client request, Brasil Capital provides written reports reflecting Funds' data and performance.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Other Compensation

Brasil Capital does not receive any benefits, economic or otherwise, from non-clients for providing investment advice or other advisory services.

Compensation for Client Referrals

Brasil Capital may enter into third party distribution arrangements in connection with the offering of interests/shares in certain investment funds. As such, distributors will receive a fee with respect to subscriptions from investors they introduce. Such fee reduces the amount of Brasil Capital's compensation from these funds and does not impact the fund investors.

ITEM 15 – CUSTODY

Investors in the Funds receive audited annual financial statements of the respective Funds, and they may receive additional performance information as specified in their agreements with the respective Fund.

U.S. Clients (as defined below) should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains the clients'

investment assets. Brasil Capital urges U.S. Clients to carefully review such statements and compare such official custodial records to the account statements that Brasil Capital may provide to them. Brasil Capital's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

The term "U.S. Clients" includes U.S. holders of Brasil Capital's separately managed accounts (if any) and excludes U.S. investors in non-U.S. Funds managed by Brasil Capital.

Under the "regulation lite" regime, a non-U.S. adviser is permitted to treat the non-U.S. funds that it manages as its clients for all purposes of the Investment Advisers Act of 1940, as amended (the "Advisers Act") other than for certain registration and reporting sections.

The investors in the non-U.S. funds are not treated as the non-U.S. adviser's clients for these purposes. Thus, U.S. investors in non-U.S. funds that are managed by a non-U.S. adviser are not considered U.S. clients of the non-U.S. adviser. Accordingly, most of the substantive provisions of the Advisers Act, including the rules relating to custody, would not apply to Brasil Capital with respect to the non-U.S. Funds that it manages. Brasil Capital and the custodians will, however, be subject to the laws and regulations in their countries of residence.

As noted above, under the "regulation lite" regime, the Advisers Act provisions related to custody are not applicable to non-U.S. clients, non-U.S. funds (or U.S. investors in such non-U.S. funds). As such, and as is required by the safekeeping requirement in Rule 206(4)-2 of the Advisers Act, assets in the accounts of Brasil Capital's U.S. Clients are held by a qualified custodian.

ITEM 16 – INVESTMENT DISCRETION

Brasil Capital generally receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Brasil Capital observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Brasil Capital in writing and, with respect to the Funds, may be disclosed in the respective Offering Memoranda.

ITEM 17 – VOTING CLIENT SECURITIES

Proxy Voting Policies

Brasil Capital will be subject to the laws and regulations regarding proxy voting in its country of residence.

In general, Brasil Capital has adopted policies and procedures designed to ensure that it votes proxies and votes at meetings in the best interests of its clients and in accordance with such policies and procedures. Brasil Capital's voting policies outline certain matters

and circumstances where voting on behalf of its clients is either mandatory or optional (at Brasil Capital's discretion).

Brasil Capital will exercise its voting authority by taking into account the best interests of its clients, as well as any potential conflicts of interest between its interests and those of its clients relating to proxy voting. Where Brasil Capital identifies potential conflicts of interest, Brasil Capital will abstain from voting on that particular matter.

Brasil Capital's proxy voting policies and procedures and information on how specific proxies were voted is available to clients and prospective clients upon request.

ITEM 18 – FINANCIAL INFORMATION

Registered investment advisers are required in this Item 18 to provide clients with certain financial information or disclosures about Brasil Capital's financial condition. Brasil Capital does not require or solicit prepayment of any fees per separate account client or Funds six months or more in advance and thus has not included a balance sheet of its most recent fiscal year. Brasil Capital is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients, nor has Brasil Capital been the subject of a bankruptcy petition at any time during the past ten years.