



XP Advisory US, Inc.
CRD# 173779

Form ADV Part 2A
Firm Brochure

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This Brochure provides information about the qualifications and business practices of XP Advisory US, Inc. ("XP Advisory"). If you have any questions about the contents of this Brochure, please contact us at (786) 725-5983. 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.

XP Advisory 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 provides you with information you can use in deciding whether to hire or retain an adviser.

Additional information about XP Advisory is also available via the SEC's web site at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

On March 30, 2020 we submitted our annual updating amendment for fiscal year 2019. Since our last annual updating amendment filing on March 25, 2019, we have made the following changes:

We have changed our company name to XP Advisory US, Inc. (hereinafter “XP Advisory”). Within the past 12 months XP Advisory has experienced two name changes, being previously called XP Private, Inc. and XP Advisors, Inc. The ownership, control, and management of the company has not materially changed.

Since our last annual ADV amendment update filed in 2019, Beny Podlubny has assumed the role of Sole Director, Treasurer and Secretary.

Item 5, *Fees and Compensation*, has been updated to provide further clarification on how advisory fees are calculated.

If you would like a current copy of our brochure at any time free of charge, please contact us at 701 Brickell Avenue, Suite 2120, Miami, FL 33131 or (786) 725-5983.

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Item 4 – Advisory Business

XP Advisory US, Inc (“XP Advisory”), formerly known as XP Private, Inc, is a Registered Investment Adviser formed in the U.S. Securities and Exchange Commission. XP Advisory US, Inc. (hereinafter “XP Advisory”) has been located in Miami, Florida since November 2014. XP Advisory is directly owned by XP Investimentos S/A.

XP Advisory provides investment management services to clients with an extensive array of products that allow them to efficiently access the international capital markets. Our full commitment to our clients eliminates conflicts of interest and ensures that decisions are geared exclusively to producing the best results.

At XP Advisory, we are committed to being a partner of choice and curating an exceptional suite of products chosen to fit the needs of clients. We are an open platform but give a full due-diligence review to each of the proposed products in a client’s portfolio, ensuring that it fits not only their investment profile but also our investment fundamentals and management team screening.

Investment accounts are subject to the written investment guidelines and investment objectives (the “Investment Guidelines”) as directed by each client and approved by XP Advisory. The Investment Guidelines may be amended from time to time by written notice from the client. XP Advisory recommends purchases and sales of domestic and foreign securities and instruments.

The majority of our clients are high net worth individuals and corporations. We know how important it is to understand the unique needs and perspectives of our clients. Our value-added approach offers the following advantages:

- ▶ A personalized boutique approach to navigating risks and opportunities.
- ▶ We structure each client’s investment portfolios according to an asset allocation model that takes into account their risk and return objectives.
- ▶ We emphasize a balanced approach to asset allocation, seeking to diversify the holdings by products, sectors, and regions of the investments.
- ▶ Our open-architecture platform allows us to provide a global selection of financial products from a wide variety of financial institutions.
- ▶ We remain nimble to the changes in both the financial markets as well as to the personal circumstances of our clients.

We offer our clients a world of options through an open architecture investment platform.

XP Advisory also provides investment advisory services to domestic and offshore pooled investment vehicles that are exempt from SEC registration (“Institutional Advisory Services”). XP Advisory’s investment advisory related services to pooled investment vehicles are subject to the terms set forth in their Private Placement Memorandum or Explanatory Memorandum.

Wrap Fee Program

XP Advisory is the portfolio manager and sponsor of the XP Advisory US Wrap Fee Program. If you participate in our wrap fee program, you will pay our firm a single fee, which includes our management fees, certain transaction, custodial, and administrative costs. There are no differences in how we manage wrap fee accounts and how we manage other accounts.

XP Advisory receives a portion of the wrap fee for its services and the client’s account custodian will also receive a portion of the fee. The terms and conditions under which a client participates in XP Advisory’s wrap fee program will be set forth in a written agreement between the client and XP Advisory. The overall cost incurred from participation in our wrap fee program may be higher or lower

than if the services were purchased separately. For detailed information about the XP Advisory US Wrap Fee Program, please see our wrap fee brochure (Part 2A Appendix 1 of Form ADV).

Regulatory Assets Under Management

XP Advisory currently provides discretionary and non-discretionary investment management services to high net worth individuals, corporations, and pooled investment vehicles. As of January 31, 2020, XP Advisory maintained a total of approximately 16,066,625 in non-discretionary assets under management and 376,894,976 in discretionary assets under management.

Equities and Options

Another core component to a well-diversified portfolio is global equity products. At XP Advisory, we provide market access to a wide range of financial instruments, such as listed U.S. and International stocks, ETFs, equity and index options and ADRs.

Fixed Income

Fixed income products are an important component to a well-diversified portfolio. We develop many of our strategies based on bond management techniques that focus on adding value while managing risks.

We offer a comprehensive range of fixed income products, including treasuries, government notes and bonds, corporate bonds, emerging market bonds, international sovereign bonds, and agency bonds.

Mutual Funds

Another important option for well-structured portfolios is the addition of mutual funds and the inherent diversification they provide. Through our open-architecture, we work with best-in-class fund managers with long, successful track records and a thorough grounding in risk management. We specialize in working with a comprehensive set of fund managers offering products with a unique set of benefits for international investors.

Item 5 – Fees and Compensation

Fees for Advisory Services

Fees charged by XP Advisory are established in a client's Investment Advisory Agreement. XP Advisory's advisory representatives have the authority to negotiate the fee, but all fees are subject to the approval of the firm's Head of Wealth Management or Chief Compliance Officer. For XP Advisory's advisory services, XP Advisory charges a management fee, which is a percentage of the assets under management.

XP Advisory generally charges between .50% and 1.50% of assets under management on an annual basis. Additionally, XP Advisory offers advisory services on an hourly basis at a rate of \$400 to \$600 per hour.

The market value of your account will be determined by calculating the average month end balance of your account during the preceding quarter. Account margin balances will be included in the computation of advisory fees.

For purposes of calculating investment fees, XP Advisory uses the term "Assets Under Management", which may be different than the asset value as reported on brokerage statements provided by the client's account custodian. Assets Under Management is defined as the total absolute value of the assets in the Account(s), long or short, plus all credit balances, with no offset for any margin or debit balances.

Fees will be calculated using the following formula: Assets Under Management (based on the average daily balance for the preceding quarter) * Annual Fee / 4 = Quarterly Fee. XP Advisory will either bill you directly for payment of our fees or the fees will be deducted from your account. Fees are billed

quarterly in arrears. Other fees arrangements may be agreed upon but must be clearly described in the advisory agreement.

Performance-Based Fees

We also charge performance-based fees to certain “Qualified Clients,” who, pursuant to Rule 205-3 under the Investment Advisers Act of 1940, have at least \$1,000,000 under management by our firm, immediately upon entering into an advisory agreement with us for performance-based compensation; or, they must have at least \$2,100,000 in net worth, exclusive of their primary residence. In such cases, we charge a maximum of 30% of the annual gross profits for the account in performance fees. These fees are invoiced directly to the client and are payable quarterly in arrears, unless otherwise negotiated. The performance fee allocation is subject to a “high water mark” provision. No performance fee will be charged, except to the extent that the amount of the capital increase exceeds the sum of any cumulative loss in the account on a yearly basis. In the event the client makes a complete withdrawal from the account on a date other than the end of the year, fees will be due at the time of withdrawal. Annual gross profits are defined as the difference in the value of the account for the previous 4 quarters, adjusted for deposits and withdrawals made during the year. Clients should note that a fee in excess of 3.00% of assets under management is in excess of industry norms and similar advisory services can be obtained for less.

Fee Billing

Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client asset account to facilitate billing.

If you choose to have our fee deducted directly from your account, the following requirements must be met:

- You must provide written authorization permitting the fees to be paid directly from your account held by the custodian. XP Advisory does not have access to client funds for payment of fees without client consent in writing.
- XP Advisory will send you an invoice showing the amount of the fee, the value of assets on which the fee is based, and the specific manner in which the fee was calculated.
- XP Advisory hereby discloses that it is your responsibility to verify the accuracy of the fee calculation and that the custodian will not determine whether the fee is properly calculated.
- XP Advisory will send an invoice to the custodian indicating the amount of the fee to be paid by the custodian.
- The custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from the account, including the amount of the advisory fee paid directly to XP Advisory. Please review each statement for accuracy. XP Advisory will also receive a copy of your account statements from the custodian.

Clients have two invoicing and payment options to choose from at the time of entering into an agreement with XP Advisory:

Option 1: Advisory fees will be billed directly to client (and not deducted from client’s Account), and client agrees to pay all advisory fees within ten (10) days after receipt of Adviser’s invoice, unless an objection has been received from the client. A check will be the only acceptable form of payment; or

Option 2: Client authorizes XP Advisory to send the invoice to your custodian to debit our fees from your account(s). If you provide us such authorization, at the same time we submit our request for payment to your custodian, you will be sent a notice from us, in writing, stating the exact amount of our advisory fee and the specific manner or basis on which we calculated our fee. Your advisory fee payment will reflect on your custodian statement. You may withdraw this authorization for direct billing of our fees at any time by notifying us or your custodian in writing.

Other Fees and Expenses

In addition to the advisory fees charged by XP Advisory, other fees may apply. For instance, XP Advisory's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which shall be incurred by the client. Clients may also incur certain charges imposed by custodians, brokers, advisers and other third parties such as the following: fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. In addition, mutual funds and certain exchange-traded funds ("ETFs") pay management fees to their investment advisers, which reduce their respective assets. To the extent that the client's portfolio has investments in mutual funds or ETFs, the client may pay two levels of advisory fees for the management of their assets: one directly to XP Advisory and the other indirectly to the manager(s) of the mutual funds and ETFs held in their portfolios. XP Advisory is affiliated with XP Investments US, LLC ("XP Investments" or "XPI"), a registered broker-dealer that is under common control with XP Advisory. XP Advisory utilizes XPI as an introducing broker-dealer for certain securities transactions of its advisory clients. XPI and/or associated persons receive compensation for brokerage transactions effected in these advisory accounts, and for the purchase of investment and insurance products recommended. Such charges, fees, and commissions are exclusive of and in addition to XP Advisory's fees. XP Advisory implemented a policy in conjunction with its affiliated broker-dealer XPI in order to set a flat fee commission schedule for any orders that are executed on behalf of its clients.

XP Advisory considers several factors when determining the appropriate fees for each client: the amount of assets, the anticipated time involved in structuring initial and ongoing recommendations to the client, and the types of expertise required for the client's portfolio. Clients are not obligated to utilize the brokerage services of XPI. Lower or higher fees may be charged by other firms for comparable services.

General Information About Fees

XP Advisory does not independently value your assets. We rely on your custodian to calculate the value of your assets held in your account. For the initial quarter, the valuation date will be the day the account is funded. Fees for the initial quarter shall be prorated for the actual number of days of services provided to client during the quarter. The parties agree that fair market value shall mean (i) the available net asset value as of the valuation date for registered mutual funds held either directly by the Fund or by the custodian; and (ii) with respect to other assets, the value determined by client's custodian or custodians. For assets that have no readily ascertainable market value reported by your custodian, we will discuss with you and agree on an appropriate valuation method in advance. Any appraisal of assets shall be at the client's sole expense. The aggregate fair market value of assets in related accounts may be combined when fees are calculated. The Adviser may modify the above fee schedule 30 days following written notice to the client.

XP Advisory's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investments and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to XP Advisory's fees, and XP Advisory shall not receive any portion of these commissions, fees, and costs.

The factors that XP Advisory considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions) is further explained in Item 12 - *Brokerage Practices*.

Clients may terminate their Investment Advisory Agreement with XP Advisory, without penalty and with a full refund of the initial fee (if any), by giving XP Advisory written notice within five (5) business days after

signing the agreement. Thereafter, either party may terminate the Investment Advisory Agreement by providing 30 days prior written notice to the other party. Upon termination of any account, any prepaid, unearned fees after deducting any costs incurred through the effective date of termination will be promptly refunded to the client. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period. Clients can use the following formula to calculate the amount of reimbursement of prepaid fees: (Prepaid fee for billing period – (fee% * AUM in account * Number of days the agreement was effective during billing period) – costs incurred during billing period = Amount of reimbursement to client). The client will be sent a detailed statement, which will show the calculation of reimbursement and list the incurred costs. After XP Advisory's agreement is terminated, XP Advisory will have no further duties or obligations to the client.

For Institutional Advisory Services, XP Advisory is compensated as agreed upon in the investment advisory agreement, which differ from the fee practices set out above.

Item 6 – Performance-Based Fees and Side-By-Side Management

Performance-based fees are fees based on a share of capital gains or capital appreciation of a client's account. As disclosed above, we charge performance-based fees to "Qualified Clients," who, pursuant to Rule 205-3 under the Investment Advisers Act of 1940, have at least \$1,000,000 under management by our firm, immediately upon entering into an advisory agreement with us for performance-based compensation; or, they must have at least \$2,100,000 in net worth, exclusive of their primary residence. The amount of the performance-based fee we charge is described in the "Fees and Compensation - Item 5" section in this Brochure.

We manage accounts that are charged performance-based fees while at the same time managing accounts (perhaps with similar objectives) that are not charged performance-based fees ("side-by-side management"). Performance-based fees and side-by-side management create conflicts of interest, which we have identified and described in the following paragraphs.

Performance-based fees create an incentive for our firm to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement. In order to address this potential conflict of interest, a senior officer of our firm periodically reviews client accounts to ensure that investments are suitable and that the account is being managed according to the client's investment objectives and risk tolerance.

Performance-based fees may also create an incentive for our firm to overvalue investments, which lack a market quotation. In order to address such conflict, we have adopted policies and procedures that require our firm to "fairly value" any investments, which do not have a readily ascertainable value.

Side-by-side management might provide an incentive for our firm to favor accounts for which we receive a performance-based fee. For example, we may have an incentive to allocate limited investment opportunities, such as initial public offerings, to clients who are charged performance-based fees over clients who are charged asset-based fees only. To address this conflict of interest, we have instituted policies and procedures that require our firm to allocate investment opportunities (if they are suitable) in an effort to avoid favoritism among our clients, regardless of whether the client is charged performance fees.

Item 7 – Types of Clients

XP Advisory provides investment advisory services for high net worth individuals, trusts, pooled investment vehicles, and corporations. Most of XP Advisory's clients are non-U.S. residents with a concentration of Latin American clients.

The minimum investment to open and maintain an advisory account is \$500,000. XP Advisory's minimum annual fee for all accounts and services is \$5,000, which may be waived at the discretion of the principal. Upon your request, we may aggregate related accounts for spouses and minor children for purposes of calculating portfolio valuation and our fees. We may negotiate our fees taking into consideration such things as the number and size of your accounts, your relationship with other clients, the length of our relationship with you, the complexity of your personal circumstances or desired investment strategies, and other factors.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

“Investing in securities involves risk of loss that clients should be prepared to bear.”

Our open-architecture platform allows clients to select products from multiple providers. In line with our investment methodology, we provide our clients with customized investment strategies that incorporate a wide mix of products from the best financial firms in the world.

XP Advisory uses the following methods of analysis: fundamental analysis

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

The investment strategies associated with the pooled investment vehicles that XP Advisory provides Institutional Advisory Services to are set forth in the specific investment's Private Placement Memorandum or Explanatory Memorandum.

XP Advisory uses long-term and short-term purchasing strategies, designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. Investing in securities involves a risk of loss that clients should be prepared to bear.

General Investment Risk: All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments in which you intend to invest.

Loss of Value: There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political, and economic developments, and government, economic or monetary policies.

Interest Rate Risk: Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

Fixed Income Market Risk: Fixed income securities increase or decrease in value based on changes in interest rates. If rates increase, the value of fixed income securities generally declines. On the other hand, if rates fall, the value of the fixed income securities generally increases.

Credit Risk: Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

Foreign Exchange Risk: Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned, and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation, and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

Margin Risk: When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your broker-dealer. If you intend to borrow funds in connection with your account, you will be required to open a margin account, which will be carried by the broker-dealer of your account. The securities purchased in such an account are the broker-dealer's collateral for its loan to you.

If the securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and, as a result, a brokerage firm is required to take action, such as issue a margin call and/or sell securities or other assets in your accounts, in order to maintain necessary level of equity in the account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin account that may be established as a part of our Investment Management Services and held by your broker-dealer. These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The broker-dealer can force the sale of securities or other assets in your account.
- The broker-dealer can sell your securities or other assets without contacting you.
- You may not be able to choose which securities or other assets in your margin account are liquidated or sold to meet a margin call.
- The broker-dealer may move securities held in your cash account to your margin account and pledge the transferred securities.

You may not be entitled to an extension of time on a margin call.

Risks Associated with Investing in Options: Transactions in options carry a high degree of risk. A relatively small market movement will have a proportionately larger impact, which may work for or against the investor. The placing of certain orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Selling an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

Risks Associated with Investing in Equities: Investments in equities generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

Risks Associated with Investing in Exchange Traded Funds (ETF): Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

Risk of Loss

Each type of security has its own unique set of risks associated with it and it would not be possible to list here all the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. Additionally, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end." So-called "open end" mutual funds continue to allow in new investors indefinitely, which can dilute other investors' interests.

Recommendation of Particular Types of Securities

As disclosed under the Advisory Business section in this Brochure, we recommend all types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with that investment.

The investment risks associated with the pooled investment vehicles that XP Advisory provides Institutional Advisory Services to are set forth in the specific investment's Private Placement Memorandum or Explanatory Memorandum.

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 XP Advisory or the integrity of XP Advisory's management. XP Advisory has no disciplinary information to disclose at this time. Additional information about XP Advisory is also available via the SEC's web site at

Item 10 – Other Financial Industry Activities and Affiliations

XP Advisory is affiliated with XP Investments US, LLC (“XPI”), a FINRA member broker-dealer. XP Investimentos S/A directly owns 100% of XP Advisory and indirectly owns 100% of XPI through 100% ownership of XP Holding International, LLC. XPI and XP Advisory are located in the same office in Miami, FL. Several of XP Advisory’s management and associated persons are registered and associated with XPI as registered representatives. For example, Jared Wilson is the Chief Compliance Officer of both entities therefore making both entities under common control.

XP Advisory utilizes XPI as an introducing broker-dealer for the majority of the securities transactions of advisory clients. Advisory clients’ assets are held in custody at an unaffiliated qualified custodian, such as Pershing, LLC or another broker-dealer, bank, trust company, or other qualified custodian selected by the client. XPI and/or associated persons of XPI receive compensation for brokerage transactions effected in these advisory accounts, and for the purchase of investment and insurance products recommended, which poses a conflict of interest. For example, XP Advisory utilizes XPI as an introducing broker-dealer for certain equity, fixed income, options, and mutual fund trades; this is due to, among other factors, market-competitive commission rates, a trading interface with tools suitable for clients’ equity and fixed income trading activities, and quality of execution. XPI has established policies and procedures to mitigate conflicts and address applicable regulatory requirements. However, lower fees for comparable services may be available from other sources. Clients are encouraged to request additional information regarding potential conflicts of interest.

XP Advisory maintains a sub-advisory agreement with its affiliate, XP Private (Europe) SA (“XP Europe”). XP Investimentos S/A indirectly owns 100% of XP Advisory and XP Europe. Pursuant to the sub-advisory agreement in place, XP Advisory may pay XP Europe a portion of the advisory fees charged to its customers. XP Advisory and XP Europe may maintain customers in common.

XP Advisory maintains a sub-advisory agreement with its affiliate, XP Advisory Gestão de Recursos Ltda (“XP Advisory Gestão”). XP Investimentos S/A indirectly owns 100% of XP Advisory and XP Advisory Gestão. Pursuant to the sub-advisory agreement in place, XP Advisory may receive from XP Advisory Gestão a portion of the advisory fees charged to its customers. XP Advisory and XP Advisory Gestão may maintain customers in common.

An XP Advisory representative may operate an office management support company under a doing business as (DBA) name which is not affiliated with XP Advisory. Any information regarding an IA representative’s DBA may be found in the IAR’s ADV Part 2B Brochure Supplement. Advisory services are provided separately and independently of an IAR’s DBA.

XP Advisory provides Institutional Advisory Services to Glide Fund Series, LLC and Glide Fund SPC Ltd. (“Glide Funds”), domestic and offshore pooled investment vehicles that are exempt from SEC registration. XP Advisory’s advice to Glide Funds is limited to the objectives and investment strategies set forth in the investments’ Private Placement Memorandum or Explanatory Memorandum. XP Advisory charges asset based fees that are established in its investment advisory agreements with Glide Funds and in accordance with the terms of the Glide Funds’ Private Placement Memorandum or Explanatory Memorandum. A conflict of interest is created with clients because XP Advisory has an incentive to recommend that clients invest in Glide Funds, thereby increasing the compensation it receives. XP Advisory addresses such conflicts of interest by honoring its obligation to act in the best interests of clients, not charging an advisory fee on client investments with Glide Funds and by disclosing such conflicts of interest to its clients.

XP Advisory is the investment manager to XP Global Strategies SPC (“XP Global Strategies”), a Cayman Islands exempted company registered as a segregated portfolio company. XP Advisory’s

advice to XP Global Strategies is limited to the objectives and investment strategies set forth in the investment's Offering Memorandum. XP Advisory charges asset based fees that are established in its investment advisory agreements with XP Global Strategies and in accordance with the terms of the Offering Memorandum. Investment in XP Global Strategies is not available to US investors and is not directly or indirectly sold in the US. However, a potential conflict of interest may exist with non-US clients because certain foreign affiliates of XP Advisory may have an incentive to recommend that non-US clients invest in XP Global Strategies, thereby increasing the compensation XP Advisory or its affiliates receive. XP Advisory addresses such conflicts of interest by honoring its obligation to act in the best interests of clients, by not charging an advisory fee on client investments with XP Global Strategies and by disclosing such conflicts of interest to its clients.

Item 11 – Code of Ethics

XP Advisory has adopted a Code of Ethics (the “Code”) for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at XP Advisory must acknowledge the terms of the Code annually, or as amended.

XP Advisory anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will recommend to investment advisory clients or prospective clients over which it has management authority, the purchase or sale of securities in which XP Advisory, its affiliates and/or clients, directly or indirectly, have a position of interest.

XP Advisory's employees and associated persons are required to follow XP Advisory's Code. Subject to satisfying this policy and applicable laws, officers, directors, and employees of XP Advisory and its affiliates may trade for their own accounts in securities, which are recommended to and/or purchased for XP Advisory's clients. The Code is designed to assure that the personal securities transactions, activities and interests of XP Advisory's employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of XP Advisory's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code to reasonably prevent conflicts of interest between XP Advisory and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with XP Advisory's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. XP Advisory will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

XP Advisory's clients or prospective clients may request a copy of the firm's Code by contacting Jared Wilson, the Chief Compliance Officer.

It is XP Advisory's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Principal transactions are generally defined as transactions where an

adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

XP Advisory may recommend that certain non-US clients invest in the pooled investment vehicles it manages. The nature and scope of XP Advisory's financial interest is disclosed in the recommended pooled investment vehicle's Private Placement Memorandum or Explanatory Memorandum, which is delivered to prospective investors that XP Advisory's recommends invest.

Item 12 – Brokerage Practices

Broker-Dealer Recommendation and Best Execution

Where the client is not referred by an existing broker-dealer and/or the client does not otherwise designate a broker-dealer, XP Advisory will recommend XPI. However, ultimately it is the client's decision to select a broker-dealer and custodian. Lower fees for comparable services may be available from other sources. XP Advisers does not receive referral fees from recommended broker-dealers. In recommending XPI, XP Advisory will consider relevant information about XP Securities including, but not limited to, the following:

- financial stability;
- reputation and integrity;
- commission rates;
- trading expertise;
- facilities;
- reliability in executing trading and keeping records;
- fairness in resolving disputes; and
- scope of financial services offered.

XP Advisory seeks to ensure that its clients receive the best overall qualitative execution for securities transactions executed at XPI by continually monitoring and reviewing the best execution capability of XPI. When assessing the best execution capability of XPI, XP Advisory will consider the following factors: execution speed, execution capabilities, responsiveness, commission rates/transaction costs, size and type of transaction, complexity of a particular transaction, and overall execution quality.

Research and Other Soft Dollar Benefits

XP Advisory does not have any soft dollar arrangements. Soft dollar arrangements occur when the adviser receives research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions.

Brokerage for Client Referrals

Neither XP Advisory nor any of its related persons selects or recommends broker-dealers in order to receive client referrals from a broker-dealer or third party in return.

Directed Brokerage

XP Advisory's clients can choose where they want to hold their assets. XP Advisory may assist clients in negotiating fees and choosing the custodian that will best serve the client's interest for custody and execution. XP Advisory does not benefit or receive any compensation based upon any discounts that XP Advisory negotiates. The final decision of choosing custodians is always with the client.

XP Advisory may have discretion as to the selection of securities brokers, real estate brokers, securities dealers, insurance agents, banks, financial institutions, securities issuers, and the like, for the execution of transactions on behalf of the client, unless otherwise directed by the client by signing the Directed Broker Acknowledgment Exhibit of the Investment Advisory Agreement.

The client recognizes that by directing XP Advisory to use a particular broker, the client may pay higher brokerage commissions or receive less favorable prices than might otherwise be possible, and may not obtain best execution because:

- The commission rate charged to their account(s) will be the rate the client negotiated with the brokerage firm, and XP Advisory will make no attempt to negotiate commissions on their behalf. As a result, the commissions paid by the client may be higher than those paid by other clients of XP Advisory whose trades are executed through the same or other broker-dealers.
- XP Advisory will not seek better execution services or prices from other broker-dealers.
- The benefits of aggregating the client's orders with other client orders will be lost.
- Orders for the client's trades may have to be entered either before or after another client's order for the same security, with the result that market movements may work against the client's orders.

See Item 10 above for information regarding client trades placed through XPI, an affiliated introducing broker-dealer.

Securities transactions for the client may be aggregated with securities transactions for other clients of XP Advisory in order to obtain a better execution. XP Advisory may cause the client and other clients to pay a brokerage commission which is higher than commissions generally available in recognition of the value of services provided to XP Advisory by a particular broker or dealer, provided that such services shall be obtained in accordance with Rule 28(e) promulgated under the Securities Exchange Act of 1934, as amended. Services obtained in connection with securities transactions for the client may also benefit other clients of XP Advisory.

Brokerage Services for Institutional Advisory Clients – For Institutional Advisory Services clients, XP Advisory does not execute client transactions and does not select or recommend broker-dealers for client transactions.

Item 13 – Review of Accounts

XP Advisory monitors its managed accounts on a systematic basis. Ms. Pepper will review a sample of accounts quarterly with the assistance of the Compliance Department. More frequent reviews may be undertaken because of change in market conditions, change of security position(s), requests by clients for a meeting or the occurrence of such meeting, change in client's investment objective or policies of XP Advisory. With respect to account performance, XP Advisory reviews each account on a quarterly basis.

XP Advisory reviews each of the following objectives with each client to communicate and manage clients' expectations:

- Strategy
The investment adviser representative meets with the client to set the asset management strategy and allocation model
- Opportunities
Based on asset allocation model, the investment adviser representative then identifies appropriate investment opportunities
- Due Diligence
Due diligence is conducted by the investment adviser representative on selected investments and adjustments made, if necessary

- Review
Investment adviser representatives will review proposed investment recommendations and due diligence to ensure compatibility with client investment strategy before making final recommendations to the client
- Performance
Investment performance is internally reviewed periodically and with client in response to changes in asset management strategy

Written reports are sent to clients at least quarterly stating their account performance, asset allocation, securities held in their account, any purchase or sale of securities within the account, and overall market performance. Along with the quarterly reports, XP Advisory recommends quarterly client/adviser meetings to review the past quarter's performance and discuss potential changes in the client's objectives. In addition to our reports, you will receive at least quarterly account statements from your custodian summarizing your current holdings and transactions in your account(s).

Brokerage Services for Institutional Advisory Clients – For Institutional Advisory Services clients, XP Advisory review of accounts and reports it provides (if any) are set forth in the investment advisory agreement with the client.

Item 14 – Client Referrals and Other Compensation

XP Advisory may pay referral fees to or enter into solicitation arrangements with third parties ("Solicitors") to offer XP Advisory's advisory services or programs. XP Advisory enters into referral agreements with Solicitors pursuant to Rule 206(4)-3 of the Investment Advisers Act of 1940. XP Advisory will compensate the Solicitors directly if a client enters into a relationship with XP Advisory. This compensation is ongoing and made up of a portion of the investment advisory fee XP Advisory charges the client, which may be up to 50% of the advisory fee. A Solicitor will provide the client with a statement disclosing the terms of the Solicitor's arrangement with XP Advisory. XP Advisory assures that Solicitors are properly licensed or registered in accordance with state securities laws, if required. If XP Advisory pays a solicitor fee, it will only be permitted under the following circumstances:

1. There is a written agreement between XP Advisory and the Solicitor.
2. XP Advisory provides any prospective customer with its disclosure materials.
3. The prospective customer has received disclosure material directly from XP Advisory including all of the facts about the compensation arrangement between the adviser and the solicitor.
4. The prospective customer has verified in writing that all the required disclosures have been made and that the disclosures regarding solicitor's compensation have been received.

Certain associated persons and/or management personnel of XP Advisory may also be employed as registered representatives with XPI. In this capacity, they may facilitate the purchase and/or sale of securities, and other investment products for their clients, who may or may not have an advisory fee agreement with XP Advisory. XP Advisory's representatives may receive compensation for these non-advisory services that they may provide. Such compensation would be in addition to the advisory and other fees that the adviser might receive. Transaction charges or other charges for services to clients by XPI may be more or less than what other broker-dealers not recommended by XP Advisory charge for comparable services. Investment products purchased or sold in broker-dealer accounts may generate transaction fees that would not exist if the purchase or sale were made directly through the issuer of the security, such as a mutual fund company. Mutual funds held in broker-dealer accounts also charge management fees. These mutual fund management fees may be more or less than the mutual fund management fees charged if the client held the mutual fund directly with the mutual fund company. These management fees are in addition to the management fee charged by XP Advisory.

XP Advisory provides Institutional Advisory Services to Glide Funds for which it receives asset-based

compensation. A conflict of interest is created with clients because XP Advisory has an incentive to recommend that clients invest in Glide Funds, thereby increasing the compensation it receives. XP Advisory addresses such conflicts of interest by honoring its obligation to act in the best interests of clients, not charging an advisory fee on client investments with Glide Funds and by disclosing such conflicts of interest to clients.

XP Advisory is the investment manager to XP Global Strategies for which it receives asset-based compensation. Global Strategies is not available to US investors and is not directly or indirectly sold in the US. However, a potential conflict of interest may exist with non-US clients because certain foreign affiliates of XP Advisory may have an incentive to recommend that non-US clients invest in XP Global Strategies, thereby increasing the compensation XP Advisory or its affiliates receive. XP Advisory addresses such conflicts of interest by honoring its obligation to act in the best interests of clients, by not charging an advisory fee on client investments with XP Global Strategies and by disclosing such conflicts of interest to its clients.

Item 15 – Custody

Where we directly debit your account(s) for the payment of our advisory fees, we are deemed to exercise limited custody over your funds or securities. In such cases, we do not have physical custody of your funds and/or securities.

Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period.

XP Advisory urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

In cases where client assets are held in an omnibus account, with XP Advisory named as agent or trustee for the clients, we are deemed to have custody over those client funds and securities. We have retained an independent certified public accountant to conduct an annual surprise examination of client funds and securities in such accounts in accordance with applicable regulatory safekeeping requirements.

Item 16 – Investment Discretion

XP Advisory may receive 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, XP Advisory adheres to the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, XP Advisory's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Changes to a client's investment guidelines and restrictions must be provided to XP Advisory in writing.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, XP Advisory does not have any authority to and does not vote proxies on behalf of advisory clients. Clients will receive proxy materials directly from the custodian. However, in the event we receive any written or electronic proxy materials, we will forward them directly to the client. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. At the advisory client's request, XP Advisory may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

XP Advisory has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.