

## **Firm Brochure**

### **Form ADV Part 2**

**February 28<sup>th</sup>, 2020**

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This brochure provides information about the qualifications and business practices of Huesler Financial Consulting AG. Huesler Financial Consulting AG is a registered investment advisor (“RIA”) with the United States Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). There is no specific level of skill or training required to register as a RIA with the SEC. This brochure is intended to inform U.S. clients of Huesler Financial Consulting AG; provisions of the Advisers Act and of this brochure may not apply to Huesler Financial Consulting AG’s non-U.S. Clients.

If you have any questions about the contents of this brochure, please contact us by telephone at +41 (0) 41 210 8484 or by e-mail at [contact@hufico.ch](mailto:contact@hufico.ch). The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Huesler Financial Consulting AG is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2. Material Changes**

No material changes have been made to the brochure since the last annual update of Huesler Financial Consulting AG’s Form ADV Part 2A/Brochure in February 2019.

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## Item 4. Advisory Business

### *Firm Description*

Huesler Financial Consulting AG (“Huesler Financial Consulting AG” or “the Firm” or “we”), a Swiss corporation based in Lucerne, Switzerland, provides investment advisory services to clients resident in the United States (“US”). We also serve US taxpayers or dual citizens living outside the US and clients who have no connection to the US. The Firm commenced operations in Switzerland in February 2015.

### *Principal Owners*

Rolf Huesler, Managing Partner, is the principal (100%) owner of Huesler Financial Consulting AG.

### *Services*

Huesler Financial Consulting AG offers a comprehensive range of services in the areas of discretionary portfolio management and non-discretionary (advisory) management to high net worth clients and their families. **For clients resident in the US or US taxpayers or dual citizens living outside the US, the offering is restricted to non-discretionary (advisory) services.**

### *Discretionary Portfolio Management*

Huesler Financial Consulting offers discretionary portfolio management to high net worth clients and their families. The services provided are designed for investors who wish to have their assets fully managed by Huesler Financial Consulting AG and include asset allocation, investment selection, active portfolio management and portfolio rebalancing consistent with the circumstances, preferences and objectives of each client.

Huesler Financial Consulting AG discusses a client's prior investment history,

as well as family composition and background. As part of this information-gathering process, Huesler Financial Consulting AG determines the client's individual objectives, time horizon, risk tolerance, tax situation and liquidity needs and develops a tailored investment policy.

Each client's assets are managed in a separate account (an “Account”) maintained at a third-party financial institution (custodian bank).

As part of its discretionary portfolio management service Huesler Financial Consulting AG purchases and sells securities for the client's Account without prior consent of or notification to the client. Huesler Financial Consulting AG determines the securities that are bought and sold for the client's Account and the total amount of the purchases and sales.

Huesler Financial Consulting AG's authority may be subject to conditions imposed by individual clients as set forth and agreed upon in the asset management agreement entered into between Huesler Financial Consulting AG and the client. For example, a client may restrict or prohibit transactions in certain types of securities.

Client Accounts broadly are managed in a similar manner, however, differences in each portfolio occur due to client specific objectives, tax considerations, liquidity needs, risk tolerance, reference currency, expected returns, legal restrictions, investment time horizon and overall suitability.

Huesler Financial Consulting AG client portfolios are globally diversified across multiple asset classes. Accounts may include, without limitation: Equity securities, fixed income and other debt securities, mutual funds, exchange traded funds, hedge funds, options, structured products,

precious metals and other alternative investments consistent with the client overall suitability. For the purpose of diversification, client accounts will hold non-dollar securities in markets outside the US. Whilst Huesler Financial Consulting AG generally makes investments with a longer time horizon, the Firm may make changes to allocations in an attempt to take advantage of short-term developments in economic conditions. When doing so, the Firm will make every attempt to transaction costs and taxes, as applicable. Such changes may involve underweight or overweight positions designed to capitalize on current economic conditions over the short term.

Huesler Financial Consulting AG's advice is limited to the types of securities and transactions as set forth in Item 8.

#### *Non-Discretionary (Advisory) Services*

Non-discretionary (advisory) services are similar to discretionary portfolio management services in terms of the investment approach; however, Huesler Financial Consulting AG requires client consent before effecting any securities transaction. The Firm provides portfolio advice and trading recommendations but all decisions regarding the investment of the Account reside with the client. This service is designed for clients who desire holistic management of their Account but who want to retain involvement in every investment decision. As a result, clients under this service offering may not be invested in the same manner as those clients using discretionary portfolio management services.

#### **Wrap Fee Programs**

Huesler Financial Consulting AG does not participate in wrap fee programs.

#### **Assets under Management and Advisement**

Huesler Financial Consulting AG managed approximately \$19.3 million on a discretionary basis and \$69.6 million on a non-discretionary basis as of December 31<sup>st</sup>, 2019.

#### **Item 5. Fees and Compensation**

Huesler Financial Consulting AG generally charges fees for its services as a percentage of the market value of assets under management ("AUM"). The asset management fee is charged quarterly in arrears. AUM is measured with reference to the last business day of the respective calendar quarter. The fee generally is charged in the reference currency of the Account.

Huesler Financial Consulting AG is a fee-only investment adviser and does not receive undisclosed remuneration from third parties in connection with its investment advisory services. Discounts, finder's fees or any other remuneration received by Huesler Financial Consulting AG from third parties will be disclosed to the client and, unless otherwise agreed to in writing with the client, credited against. The Firm does not manage accounts based on commissions, subscriptions fees, or hourly rate charges. Compensation is not payable in advance. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any relationship, accrued, unpaid fees will be due and payable. Huesler Financial Consulting AG relies on custodian banks of its clients to value the assets in the respective client Accounts, and the Firm computes its investment advisory fees based on these valuations provided by the custodian bank. At the end of the quarter, Huesler Financial Consulting AG arranges with the custodian bank for the direct payment of its fee from each client's Account. The statement from the custodian bank will reflect all amounts disbursed from the Account, including the amount of any advisory fee paid to Huesler Financial Consulting AG.

*Fees for Discretionary Portfolio Management and Non-Discretionary (Advisory) Services*

The annual fees range between 0.25% to 1.25% of AUM, depending on the size and complexity of the mandate.

In all cases, Huesler Financial Consulting AG may waive, discount or negotiate fees at its discretion. Huesler Financial Consulting AG may also charge additional fees for services outside the scope of the services described above. Any additional fees are disclosed to the client.

There is no minimum annual fee.

*Other Fees and Expenses You May Incur*

Fees charged by Huesler Financial Consulting AG do not include custodian fees, fees for trade settlement, brokerage commissions, or any other fee imposed by the custodian bank or the broker. Huesler Financial Consulting AG's fees do not include management or other fees charged by funds or other products that client Accounts may be invested in from time to time. Compensation owed to Huesler Financial Consulting AG is not payable in advance.

Fees may be subject to VAT.

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

***Performance Based Fee Scheme***

As an alternative to the fixed asset management fee, certain clients may opt to compensate Huesler Financial Consulting AG based on a reduced fixed asset management fee plus a performance based fee scheme. These arrangements subject to individualized agreements with each client. To the extent Huesler Financial Consulting AG enters into a performance or incentive fee

arrangements, it will do so in accordance with Section 205(a)(1) of the Advisers Act and Rule 205-3. According to those rules, only clients who meet the following requirements may opt for the performance based fee scheme: (i) clients with at least \$1,000,000 under management with Huesler Financial Consulting AG; (ii) clients with more than \$2,000,000 of net worth, excluding the value of the primary residence and certain debt secured by the property; or (iii) clients who are qualified purchasers under Section 2(a)(51) of the Investment Advisors Act of 1940, as amended (which generally is defined to include only individuals, companies or trusts with more than \$5,000,000 in investments).

For qualified clients, the performance fee is calculated on the basis of the net performance by the end of each quarter and amounts to 2% - 10%. The performance fee is charged quarterly in arrears. Net Performance describes the actual increase in the value of the client's assets after all bank fees (broker's commissions, securities account fees etc.) have been deducted. The performance calculation is based on the time weighted rate of return ("TWR") and complies with the Global Investment Performance standards ("GIPS"). There is a High water mark in calculating the performance fee. Huesler Financial Consulting AG relies on custodian banks of its clients to calculate the performance (TWR) in the respective client Accounts, and the Firm computes its performance fees based on these valuations provided by the custodian bank.

Huesler Financial Consulting AG potentially can receive higher fees with a performance based compensation structure than from those accounts that pay the asset based fee schedule described above. To minimize this conflict, Huesler Financial Consulting AG generally will enter into a performance fee arrangement upon the request of a client or in the case of specific investment performance objectives.

***Side-by-Side Management***

Huesler Financial Consulting AG manages many client Accounts and as a result of differences in the fees charged on various account, Huesler Financial Consulting AG has conflicts related to such side-by-side management of different accounts. For example, Huesler Financial Consulting AG generally manages more than one account according to the same or a substantially similar investment strategy and yet have a different fee schedule applicable to such accounts as a result of the respective clients' AUM with Huesler Financial Consulting AG or a client's election to compensate the Firm on a performance basis.

Side-by-side management of different types of accounts may raise conflicts of interest when two or more accounts invest in the same securities or pursue a similar although not identical strategy. These potential conflicts include the favorable or preferential treatment of an account or a group of accounts, conflicts related to the allocation of investment opportunities, particularly with respect to securities that have limited availability, such as initial public offerings, and transactions in one account that closely follow related transactions in a different account. In addition, the results of the investment activities for one account may differ significantly from the results achieved for other accounts, particularly if the Firm individually tailors clients' Accounts.

Huesler Financial Consulting AG has policies and procedures in place aimed to ensure that all client Accounts are treated fairly and equitably. Huesler Financial Consulting AG strives to equitably allocate investment opportunities among relevant Accounts over time. In addition, investment decisions for each Account are made with specific reference to the individual needs and objectives of the Account. Accordingly, Huesler Financial Consulting AG may give advice or exercise investment

responsibility or take other actions for some clients (including related persons) that may differ from the advice given, or the timing and nature of actions taken, for other clients. Investment results for different Accounts, including Accounts that are generally managed in a similar style, also may differ as a result of these considerations. Some clients may not participate at all in some investments in which other clients participate, or may participate to a different degree or at a different time.

***Item 7. Types of Clients***

Huesler Financial Consulting AG offers investment management services to individuals and high net worth individuals and families and their foundations, trusts, estates holding companies or other estate planning structure they may have established.

In addition to serving US resident clients, Huesler Financial Consulting AG provides discretionary and nondiscretionary investment advisory services to non-US resident clients. The provisions of the Advisers Act do not apply to the management services provided by Huesler Financial Consulting AG to these non-US clients. This brochure describes only the service offering to US persons as defined under SEC Rule 902.

Generally, Huesler Financial Consulting AG prefers its client relationships to have a minimum of \$1,000,000 of assets under management. Huesler Financial Consulting AG may accept accounts below the minimum requirements, and will retain accounts that have dropped below the minimum requirement due to market fluctuation or investment performance. Related accounts can be aggregated.

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

### ***Methods of Analysis***

Huesler Financial Consulting AG invests using a long-only investment approach aimed at generating sustainable, long-term results, where capital preservation is as important as capital growth. Huesler Financial Consulting AG invests based on its views of market trends, which are reflected in its asset allocations in its discretionary mandates. Huesler Financial Consulting AG manages assets by using a top down, macro-economic analysis in combination of bottom-up analysis of both market timing and specific security selection. Generally, Huesler Financial Consulting AG seeks to obtain broad diversification across countries, industries, company size, long-term themes and short term opportunities.

### ***Investment Strategies***

Huesler Financial Consulting AG generally builds client portfolios within the parameters of the following four investment strategies, which serve as the basis for tailor-made portfolios. Each client's portfolio will differ based on a client's unique situation and objectives within the parameters of the selected strategy.

1. - Fixed Income: The fixed income strategy seeks to preserve the invested assets on a yearly basis and to achieve a constant interest income. It is pursued with approximate ranges of 80 – 100% in money market instrument and fixed income securities and 0 – 20% in other investments such as commodities and alternative investments.
2. - Income: This strategy seeks to achieve real long-term asset growth and to generate interest and dividend income, enhanced with some capital gain potential. Portfolios consist of approximate ranges of 50 – 100% in money market instruments and fixed

income securities, 0 – 45% in shares and products with equity character and 0 – 25% in other investments such as commodities and alternative investments.

3. - Balanced Strategy: Obtaining real long-term asset growth is the main objective. Earnings are generated from interest and dividends, enhanced with capital gain potential. Portfolios consist of approximate ranges of 10 – 70% in money market instruments and fixed income securities, 25 – 85% in equities and 0 – 30% in other investments such as commodities and alternative investments.
4. - Growth Strategy: This strategy aims to achieve significant real long-term asset growth. Investment returns are strongly driven by capital gains. Portfolios are built with approximate ranges of 0 – 50% in money market instruments and fixed income securities, 50 – 100% in equities and 0 – 35% % in other investments such as commodities and alternative investments.

### ***Types of Securities***

Huesler Financial Consulting AG offers investment management and advisory services on the following types of securities and transactions: exchange-listed securities, securities traded over-the-counter, securities issued by non-US issuers, corporate debt securities (and other commercial paper), certificates of deposit, investment company securities such as mutual funds, US or foreign government securities, exchange traded funds and foreign exchange transactions, certain derivatives or structured products, options, alternative investments, precious metals and in certain cases private fund investments. Some of these securities, particularly those issued outside of the US, may not be registered with the SEC. Huesler Financial Consulting AG is able to invest clients on a discretionary basis in securities offered outside the US to non-

US investors in reliance on Regulation S under the Securities Act of 1933.

Investments in private funds or structured products may be limited to “accredited investors” or “qualified purchasers,” and may require investors to lock-up their assets for a period of time. These investments may have limited or no liquidity, and they may involve different risks than investing in registered funds and other publicly offered and traded securities. In discretionary mandates, Huesler Financial Consulting AG may invest client Accounts into such securities without client consent. Huesler Financial Consulting AG relies on the valuation and performance data provided directly from the private funds. Private funds may often be delayed in providing Huesler Financial Consulting AG with the valuation information; therefore, Huesler Financial Consulting AG may likewise be delayed in reporting this information to the client.

Huesler Financial Consulting AG will rely on the accuracy of a client’s representations in making corresponding representations regarding the investment restrictions on behalf of a client’s Account in connection with certain derivative, private fund or other similar investments with qualification restrictions. Huesler Financial Consulting AG requires notification by the client if the client’s representations become inaccurate.

In certain cases, Huesler Financial Consulting AG may recommend and invest in precious metals and structured products. Huesler Financial Consulting AG does not invest directly in real estate.

### ***Material Investment Risks***

Clients should bear in mind that investing in securities involves a risk of loss. Clients should be prepared to bear the risk of losing their investment in securities. Past performance is not an indication as to future results.

Among other risks, all investments made by Huesler Financial Consulting AG will be subject to market risk, liquidity risk, and interest rate risk, and may be subject to credit and counterparty risk, risk in fluctuations of commodity pricing, risk of loss due to political and economic developments in foreign markets, and risks involving movements in the currency markets.

### ***Market Risk***

Market risk refers to the risk of loss arising from general economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws and national and international political circumstances. Each Account is subject to market risk, which will affect volatility of securities prices and liquidity. Such volatility or illiquidity could impair profitability or result in losses.

### ***Risk Related to Equity Investments***

Investments in equity securities generally involve a high degree of risk. Prices are volatile and market movements are difficult to predict. These price movements may result from factors affecting individual companies or industries. Price changes may be temporary or last for extended periods. The value of specific equity investments generally correlates to the fundamentals of each particular security, but prices of equity investments may raise or fall regardless of fundamentals due to movements in securities markets.

### ***Risks Related to Fixed Income Investments***

Investments in fixed income securities (i.e., bills, notes, bonds, preferred, convertibles, ETFs and funds) involve a number of risks such as credit, interest rate, reinvestment, and prepayment risk, all of which affect the



value of the security and volatility of such value. In general, fixed income securities with longer maturities are more volatile. Additionally, the prices of below investment grade (lower credit quality) securities fluctuate more than investment grade issues. Prices are sensitive to developments affecting the company's business and to changes in the ratings assigned by rating agencies. Prices are often closely linked with the company's stock prices. High yield securities can experience sudden and sharp price swings due to changes in economic conditions, stock market activity, large sales by major investors, default, or other factors. Developments in the credit market may have a substantial impact on the companies we may invest in and will affect the success of such investments. In the event of a default, the investment may suffer a partial or total loss.

#### *Risks Related to Investments in Funds*

For purposes of this discussion, the term "Fund" includes, but is not limited to, a US or non-US unit investment trusts, open-end and closed end mutual funds, hedge funds, private equity funds, venture capital funds, real estate investment trusts, exchange traded funds ("ETFs") and any other private alternative or investment fund. Investments in Funds carry risks associated with the particular Fund. Each Fund and the respective manager will charge their own management and other fees, which will result in a Client bearing an additional level of fees and expenses. US mutual funds generally must distribute all gains to investors, including investors who may not have an economic gain from investing in the fund, which can lead to negative tax effects on investors, particularly non-US Persons. Investments in certain non-US funds by US persons result in US tax and reporting obligations and failing to comply with such requirements can result in significant penalties. Funds generally have unique risks of loss as described in their offering documents. Funds can make use of

leverage to enhance returns, which raise the risk of default, interest rate risk, and increase volatility. Certain Funds invest in derivatives, which can raise specific counter-party risks. Funds that are not traded can have illiquidity and valuation risks resulting in the inability to redeem or sell the Fund on demand. See the discussion below relating to risks in structured products and derivatives for more information on the risks of investing in Funds.

#### *Risks related to Structured Products & Derivatives*

Huesler Financial Consulting AG may invest in structured products or derivatives or invest in Funds that hold investments in structured products or derivatives. In addition to the risks that apply to all investments in securities, investing and engaging in derivative instruments and transactions may involve different types of risk and possibly greater levels of risk. These risks include, but are not limited to the following:

1. - **Leverage:** Certain investment instruments such as derivatives may use leverage to achieve returns. The use of leverage may have the effect of disproportionately increasing an account's exposure to the market for the securities or other assets underlying the derivative position and the sensitivity of an account's portfolio to changes in market prices for those assets. Leverage will tend to magnify both the positive impact of successful investment decisions and the negative impact of unsuccessful investment decisions by Huesler Financial Consulting AG on an account's performance.
2. - **Counterparty Credit Risk:** When a derivative is purchased, a client's Account will be subject to the ability and willingness of the other party to the contract (a "counterparty") to

perform its obligations under the contract. Although exchange-traded futures and options contracts are generally backed by a guarantee from a clearing corporation, an Account could lose the benefit of a contract in the unlikely event that the clearing corporation becomes insolvent. Counterparty's obligations under a forward contract, over-the-counter option, swap or other over-the-counter derivative contract are not so guaranteed. If the counterparty to an over-the-counter contract fails to perform its obligations, an account may lose the benefit of the contract and may have difficulty reclaiming any collateral that an account may have deposited with the counterparty.

3. - Lack of Correlation: The market value of a derivative position may correlate imperfectly with the market price of the asset underlying the derivative position. To the extent that a derivative position is being used to hedge against changes in the value of assets in an account, a lack of price correlation between the derivative position and the hedged asset may result in an account's assets being incompletely hedged or not completely offsetting price changes in the derivative position.
4. - Illiquidity: Over-the-counter derivative contracts are usually subject to restrictions on transfer, and there is generally no liquid market for these contracts. Although it is often possible to negotiate the termination of an over-the-counter contract or enter into an offsetting contract, a counterparty may be unable or unwilling to terminate a contract with an account, especially during times of market instability or disruption. The markets for many exchange traded

futures, options and other instruments are quite liquid during normal market conditions, but this liquidity may disappear during times of market instability or disruption.

5. - Less Accurate Valuation: The absence of a liquid market for over-the-counter derivatives increases the likelihood that Huesler Financial Consulting AG will not be able to correctly value these interests.

#### *Risks Relating to Foreign Currency Exposure*

Accounts managed by Huesler Financial Consulting AG are routinely subject to foreign currency risks and bear a potential risk of loss arising from fluctuations in value between the US Dollar and such other currencies. Huesler Financial Consulting AG invests in securities and other investments that are denominated in currencies other than US Dollars. Some client's Accounts may hold significant non-dollar cash positions. Accordingly, the value of such assets may be affected favorably or unfavorably by fluctuations in currency rates. Often clients are seeking this foreign currency exposure. Thus, Huesler Financial Consulting AG generally does not seek to hedge the foreign currency exposure. Even to the extent that Huesler Financial Consulting AG does seek to hedge the foreign currency exposure, such hedging strategies may not necessarily be available or effective.

#### *Non-US Investments*

Investments in non-US securities expose a client's portfolio to a number of risks not always evident in US markets. Such risks include, among other things, trade balances and imbalances, economic policies of various foreign governments, exchange control regulations, withholding taxes, potential for nationalization of assets or industries, and political instability.

***Risks Related to Precious Metal***

Precious metal accounts and investments in physical precious metals offered by custodian banks present special investment risks. These metal accounts generally are notated with reference to the market price of the respective precious metal as determined by the respective custodian bank. The value of precious metals is volatile and generally based on the current spot or market price of the particular metal. The value of precious metals is driven by a variety of factors on a global basis including, among other factors, industrial demand, market supply, and investor demand. Metals should not be perceived as safer investments but rather this asset class also is speculative and volatile. Unless specifically agreed by the custodian bank, a precious metal account generally does not represent a right to convert to physical delivery and as such, generally there is a counterparty risk based on the financial strength and solvency of the custodian bank to pay the monetary equivalent of the notated value in the precious metal account. Alternatively, in the case of non-segregated physical holdings, there are other risks including the potential inability for the custodian bank to deliver the physical metal timely and liquidity risks associated with taking physical delivery of precious metals. Clients should see the specific risk disclosures issued by the custodian bank relating to precious metal accounts and physical precious metals.

The Firm generally provides all new clients with a copy of "Special Risks in Securities Trading" published by the Swiss Bankers Association.

***Item 9. Disciplinary Information***

Huesler Financial Consulting AG has not been involved in any legal or disciplinary events.

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

Huesler Financial Consulting AG management personnel are neither registered, nor have an application pending to register as, broker-dealers, registered representatives of a broker-dealer, future commissions merchants, commodity pool operators, commodity trading advisors, or associated persons of the foregoing entities.

Huesler Financial Consulting AG is a member of the VQF Financial Services Standards Association. The VQF ([www.vqf.ch](http://www.vqf.ch)) is organized under private law as an Association under the terms of Art. 60 et seq. of the Swiss Civil Code (SCC) (established 1998) recorded in the Commercial Register of the Canton of Zug and is the oldest and largest self-regulatory organization ("SRO") pursuant to Art. 24 of the Anti-Money Laundering Act ("AMLA"), with the official recognition of the Federal Financial Market Supervisory Authority ("FINMA"). In addition, the VQF also has rules of professional conduct for asset managers, which are officially recognized by FINMA and in this regard is active as an Industry Organization for independent Asset Managers ("BOVV"). In this way, Huesler Financial Consulting AG is subject to the regulations of the Swiss financial regulator, FINMA.

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

Huesler Financial Consulting AG seeks to minimize conflicts of interest and resolve those conflicts of interests in favor of its clients to the extent it determines reasonable and necessary in accordance with its Code of Ethics.

## **Code of Ethics**

Huesler Financial Consulting AG treats all clients equitably and has a duty to act in its clients' best interests. Except as otherwise described in this brochure, the interests of clients will be placed above Huesler Financial Consulting AG's interests in case of any conflict. The Firm has adopted a Code of Ethics (the "Code") and maintains a written policy covering General Principles of Professional Conduct adopting the VQF Rules of Conduct of the Industry Organisation for Asset Management. Covered in the Code are procedures governing personal securities transactions by Huesler Financial Consulting AG and its "Access Persons." The Code also provides guidance and instruction to Huesler Financial Consulting AG and its personnel on their ethical obligations in fulfilling its duties of loyalty, fairness and good faith towards the clients.

The overriding principle of Huesler Financial Consulting AG's Code is that all employees owe a fiduciary duty to clients for whom the Firm acts as investment adviser or sub-adviser. Accordingly, employees of Huesler Financial Consulting AG are responsible for conducting personal trading activities in a manner that does not interfere with a client's portfolio transactions or take improper advantage of a relationship with any client.

The Code contains provisions designed to try to: (i) prevent, among other things, improper trading by Huesler Financial Consulting AG's employees; (ii) identify conflicts of interest; and (iii) provide a means to resolve any actual or potential conflicts of interest in favor of the clients. The Code attempts to accomplish these objectives by, among other things, requiring "Access Persons" to maintain records of personal securities holdings and transactions, as is required for "small advisers" under Rules 204A-1(d).

The Code contains sections including, but not limited to, the following key areas: (i)

standards of business conduct, (ii) restrictions on personal investing activities; and (ii) gifts and business entertainment.

Huesler Financial Consulting AG has designated a Chief Compliance Officer responsible for maintaining, reviewing and enforcing Huesler Financial Consulting AG's Code of Ethics and corresponding policies and procedures.

The fundamental position of Huesler Financial Consulting AG Advisors is that, in effecting personal securities transactions, personnel of the Firm must place at all times the interests of clients ahead of their own pecuniary interests. All personal securities transactions by these persons must be conducted in accordance with the Code of Ethics and in a manner to avoid any actual or potential conflict of interest or any abuse of any person's position of trust and responsibility. Further, these persons should not take inappropriate advantage of their positions with or on behalf of a client.

If a person subject to the Code of Ethics fails to comply with the Code, such person may be subject to sanctions, which may include warnings, disgorgement of profits, restrictions on future personal trading, and, in the most severe cases, the possibility of dismissal.

Huesler Financial Consulting AG will provide a copy of its Code of Ethics and General Principles of Professional Conduct to any client or prospective client upon request.

## **Participation or Interest in Client Transactions**

Although Huesler Financial Consulting AG does not hold proprietary positions, Huesler Financial Consulting AG's related persons may own, buy, or sell for themselves the same securities that they or Huesler Financial Consulting AG have recommended to clients. Thus, from time to time, a client Account may purchase or hold a security in which a related person of

Huesler Financial Consulting AG has financial interest or an ownership position, or a related person may purchase a security that is held in a client Account.

Also from time to time, Huesler Financial Consulting AG employees or related persons may invest alongside the firm's clients, both to align the interest of firm and personnel and firm clients and as an expression of confidence in our portfolio management efforts. In order to ensure that Huesler Financial Consulting AG personnel never trade ahead of their clients, the firm requires all trading in specific positions for officer and employee accounts to come after the analogous trades are executed for client accounts. Firm personnel communicate personal trades prior to executing them, in order to ensure the application of these fundamental restrictions.

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

All of Huesler Financial Consulting AG's clients have existing accounts or open new accounts at custodian banks in Switzerland or elsewhere. Each client is responsible for selecting the bank which will hold his or her Account. Huesler Financial Consulting AG does not select custodian banks on a client's behalf but may recommend a custodian bank to the client.

Each custodian bank has its own policies and procedures relating to brokerage. In cases where the custodian bank requires Huesler Financial Consulting AG to route securities orders through the trading desk of the bank, then Huesler Financial Consulting AG will not have discretion in selecting the broker/dealer and the client should be aware of the incumbent risks associated with such arrangement. In cases where the custodian bank will settle with third-party broker-dealers, then Huesler Financial Consulting AG will select the broker-dealer as described in this Item 12. In such cases, the Swiss custodian

bank will settle trades with delivery-against-payment model.

### ***Huesler Financial Consulting AG Selection of Broker-Dealers***

When the custodian bank permits Huesler Financial Consulting AG Ltd to select the broker-dealer, Huesler Financial Consulting AG will route securities orders to purchase and sell securities for those client Accounts held at the bank to independent brokers and dealers.

In selecting brokers and dealers to effect client transactions, Huesler Financial Consulting AG attempts to obtain for clients: (i) the prompt execution of client transactions while market conditions still favor the transaction, and (ii) the most favorable net prices reasonably obtainable. This is called "best execution." In placing orders to purchase and sell equity securities, Huesler Financial Consulting AG selects brokers that it believes will provide the best overall qualitative execution given the particular circumstances. A broker may provide more favorable terms and a higher quality of service to customers who place a higher volume of transactions through that broker. Accordingly, to obtain the benefits of higher volume trading for clients, we may place a large portion of client equity transactions through a limited number of brokers that meet Huesler Financial Consulting AG's quality standards. When selecting a new equity broker, Huesler Financial Consulting AG conducts a due diligence review of the broker to evaluate whether the broker is likely to provide best execution. We may consider any of the following factors:

- The ability of the custodian bank to settle transactions with the broker
- The quality of services provided (including commissions, which may not be the lowest available but which ordinarily will not be higher than the generally prevailing competitive range)
- The extent of coverage of the

- various markets Huesler Financial Consulting AG trades in
- The broker's ability to communicate effectively with Huesler Financial Consulting AG
  - The broker's ability to execute and settle difficult trades.
  - Whether or not the broker offers lower cost electronic trading.
  - The broker's clearance and settlement efficiency.
  - Whether or not the broker can handle Huesler Financial Consulting AG's range of order sizes.
  - The broker's ability to maintain confidentiality and anonymity.
  - The reputation of the broker.
  - The stability and financial strength of the broker.

Due to the fact Huesler Financial Consulting AG is based in Switzerland and many of the securities purchased are non-US securities, the brokers used by Huesler Financial Consulting AG may not be registered with the SEC under the US Securities Exchange Act of 1934, as amended (the "Exchange Act").

Huesler Financial Consulting AG's Chief Compliance Officer reviews the due diligence performed and approves or rejects the selection of each broker. On a regular basis, Huesler Financial Consulting AG monitors the services provided by the approved brokers, the quality of executions and research, commission rates, the overall brokerage relationship, and any other issues. Huesler Financial Consulting AG will periodically reconsider whether placing a large portion of client trades through a particular broker continues to be in the best interest of our clients.

#### *Brokers Selected by the Custodian Bank*

Brokerage for transactions involving assets held at Swiss custodian banks generally must be made through the broker-dealer specified by the custodian bank and Huesler Financial Consulting AG

will have no ability to select the broker-dealer. In most cases, Swiss custodian banks act as a broker-dealer and/or maintain relationships with designated broker-dealers (including potentially an affiliate of the custodian bank). If required by the custodian bank, Huesler Financial Consulting AG effectuates security transactions through the custodian bank or the broker or dealer designated by the custodian bank selected by the client. In such cases, Huesler Financial Consulting AG cannot guarantee that the client will receive best execution or the best commissions because Huesler Financial Consulting AG does not control these factors. Clients should be aware of the potential that the broker-dealer used for transactions may not be a registered broker/dealer under the Exchange Act.

Clients also should be aware of the following disadvantages associated with Huesler Financial Consulting AG not having the ability to select the broker/dealer:

- Clients are solely responsible for negotiating the commission rates and fees paid to the Swiss custodian bank where such custodian bank requires Huesler Financial Consulting AG to trade through its broker-dealer. Huesler Financial Consulting AG will not be able to negotiate commission rates with the designated broker, and we will not have any negotiating leverage that results from the ability to trade away from a designated broker.
- Clients may pay higher commission rates than those paid by other clients whose trades are placed with a broker-dealer chosen by Huesler Financial Consulting AG may receive less favorable trade executions, and/or may not obtain best execution on their transactions.
- Accounts will not be able to participate in aggregated or block transactions with other clients who

maintain their Accounts at other custodian banks. This can limit the ability to benefit from volume discounts or more favorable terms that might be available from aggregated transactions.

### *Client Directed Brokerage*

Generally, Huesler Financial Consulting AG does not permit clients to direct brokerage other than as outlined above in the context of a custodian bank selected by the client that requires the use of a specified broker-dealer.

### *Block Trades*

Huesler Financial Consulting AG generally will combine orders into block trades when purchasing the same security for multiple client Accounts. Such aggregated orders ("block trades") will be pre-allocated among the participating client Accounts. When selecting the participating accounts, a variety of factors such as suitability, investment objectives and strategy, risk tolerance and / or the ability to invest additional funds will be taken into consideration. In determining the portion for each participating account further factors such as account's size, diversification, asset allocation and position weightings as well as any other appropriate factors might be of relevance. Participating Accounts in a block trade placed with the same broker or the same custodian bank generally will receive an average price and Transaction costs will be shared on a proportionate basis and as determined in the agreement with the custodian. This can either be a sharing on a pro rata basis or based on the implemented degression model, whereas costs decrease in relation to the purchased quantity and include the application of a minimum rate, when shared costs are below a defined amount. Partial fills of transactions will be allocated on a pro rata share basis.

Because Huesler Financial Consulting

AG's clients maintain Accounts at different custodian banks and because many of these custodian banks mandate the use of a specific broker (see description above), often Huesler Financial Consulting AG places more than one block trade for the same security with more than one broker. Huesler Financial Consulting AG transmits such block trades to more than one broker in a random pattern (i.e., Huesler Financial Consulting AG does not favor one custodian bank or broker over another with respect to the order in which block trade orders are sent). The average price realized on a securities order placed with different brokers will vary broker to broker, and clients generally will receive different average prices and transaction costs for the same security order depending upon the custodian bank and the respective broker used in the block trade. Also note, since most Swiss custodian banks warehouse securities orders until filled, there may be delays in settlement between client Accounts depending on the practice of the respective custodian bank and/or broker.

### ***Decision Making Process; Balancing the Interests of Multiple Client Accounts***

In making the decision as to which securities are to be purchased or sold and the amounts thereof, Huesler Financial Consulting AG is guided by the general guidelines set up at the inception of the adviser-client relationship in cooperation with the client and a periodic review of the asset allocation. These general guidelines cover such matters as the relative proportion of debt and equity securities to be held in the portfolio, the degree of risk that the client wishes to assume and the types and amounts of securities to be held in the portfolio. Huesler Financial Consulting AG's authority may be further limited by specific instructions from the client, which may restrict or prohibit transactions in certain securities.

Huesler Financial Consulting AG may manage numerous accounts with similar or identical investment objectives or may manage accounts with different objectives that may trade in the same securities. Despite such similarities, portfolio decisions relating to client investments and the performance resulting from such decisions may differ from client to client. Huesler Financial Consulting AG will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible clients, particularly if different clients have selected different investment profiles, have materially different amounts of capital under management with Huesler Financial Consulting AG or different amounts of investable cash available. In certain instances, such as purchases of less liquid publicly traded securities or oversubscribed public offerings, it may not be possible or feasible to allocate a transaction pro rata to all eligible clients, especially if clients have materially different sized portfolios. Therefore, not all clients will necessarily participate in the same investment opportunities or participate on the same basis.

### ***Use of Soft Dollars***

Huesler Financial Consulting AG may maintain soft dollar arrangements, and to the extent it does it will only do so in accordance with the conditions of the safe harbor provided by Section 28(e) of the Exchange Act. Section 28(e) is a “safe harbor” that permits an investment manager to use brokerage commissions or “soft dollars” to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process.

Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services;

attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants’ advice on portfolio strategy; data services (including services providing market data, company financial data, certain valuation and pricing data and economic data); and advice from brokers on order execution.

Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

### ***Trade Errors***

Although Huesler Financial Consulting AG’s goal is to execute trades seamlessly in the manner intended by the client and consistent with its investment decisions, Huesler Financial Consulting AG recognizes that errors can occur for a variety of reasons. Huesler Financial Consulting AG’s policy in dealing with such errors is to:

- Identify any errors in a timely manner.
- Correct all errors so that any affected account is placed in the same position it would have been in had the error not occurred.

The party responsible for the error will bear



the gain or the loss resulting of the error and all associated costs to reverse the error.

- Huesler Financial Consulting AG may offset a loss and all associated costs against the management or investment advisory fees it charges. This will be disclosed to the client.
- Evaluate how the error occurred and assess if any changes in any processes are warranted or if any continuing education is required. The consequences and the required corrective measures may be different depending upon the nature of the error or the account affected.

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

All Accounts are reviewed regularly, at least quarterly, in an effort to ensure that they remain aligned with the client's investment plan and are positioned appropriately given current market conditions as part of Huesler Financial Consulting AG general investment process.

By each end of the quarter, the client shall receive from his chosen third-party financial institution (custodian bank) a written statement of his account.

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

Huesler Financial Consulting AG is a fee-only adviser. Huesler Financial consulting AG's policy is not to accept compensation from third parties relating to the investment advice it gives to its clients. To the extent Huesler Financial Consulting AG receives a referral fee for an investment it recommends, it will reduce the fees owed by the respective client to Huesler Financial Consulting AG or will credit the respective client's account for the applicable amount. For these purposes, referral fees include marketing fees, discounts, finder's fees, service fees, including shareholder service fees, referral

fees, 12b-1 fees or bonus commissions paid by mutual funds, privately offered funds, insurance products, variable annuities or other investment products paid to Huesler Financial Consulting AG for recommending an investment, for investing client funds in such product or for marketing assistance or the performance of certain administrative tasks associated with making an investment.

Huesler Financial Consulting AG may pay fees for client referrals. Such arrangements comply with the conditions and requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940.

Huesler Financial Consulting AG's employees or associated persons may be invited to attend seminars and meetings with the costs associated with such meetings borne by a sponsoring brokerage firm or other party extending the invitation.

### ***Item 15. Custody***

Huesler Financial Consulting AG typically is given authority to have its fees directly deducted from a client's account. Consequently, Huesler Financial Consulting AG is deemed to have custody of such funds. Huesler Financial Consulting AG has established procedures to ensure the client's account is held at a qualified custodian in a separate account for each client. The client establishes the bank account directly and therefore is aware of the qualified custodian's name, address and the manner in which investments are maintained.

Account statements are prepared by the custodian bank and delivered directly to the client or the client's representative at least quarterly. Generally, these statements include a listing of all valuations and all transactions occurring during the period. Clients should carefully review these statements and compare them with those received from Huesler Financial Consulting AG and, when they

have questions, contact either Huesler Financial Consulting AG or the custodian bank. The custodian bank may provide, generally upon a client's request, a tax report for the client.

### ***Item 16. Investment Discretion***

Huesler Financial Consulting AG accepts discretionary authority to manage client accounts as described above. Clients rarely restrict the authority by which Huesler Financial Consulting AG may act; however, each client has the opportunity to communicate any form of limitation in writing. In the context of a discretionary mandate, Huesler Financial Consulting AG makes investment decisions without consulting the client by utilizing its limited power of attorney for the management of the account maintained at the custodian bank selected by the client. Huesler Financial Consulting AG never has discretionary authority to select a qualified custodian for a client's account.

### ***Item 17. Voting Client Securities***

#### ***Proxy Voting***

Huesler Financial Consulting AG generally does not have the authority to vote client proxies. Clients make arrangements directly with their custodian to vote proxies for securities or where proxy or other solicitation materials have to be sent to. If Huesler Financial Consulting AG inadvertently receives any proxy materials on behalf of a client, Huesler Financial Consulting AG will promptly forward such materials to the client.

Huesler Financial Consulting AG will exercise investment authority for certain corporate actions (such as, but not limited to tenders, rights offerings, splits, etc.) in

connection with discretionary accounts. For advisory clients, corporate actions are discussed with them prior to the event taking place.

Clients who have questions about proxies may contact Huesler Financial Consulting AG for further information.

#### ***Class Actions***

Huesler Financial Consulting AG does not direct client participation in class action lawsuits. Huesler Financial Consulting AG will determine whether to return any documentation inadvertently received regarding clients' participation in class actions to the sender, or to forward such information to the appropriate clients.

Huesler Financial Consulting AG will not advise or act on behalf of clients in any legal proceeding, including bankruptcies or securities shareholder class action litigation involving securities held or previously held in client accounts. Accordingly, Huesler Financial Consulting AG is not responsible for responding to, or forwarding to clients, any class action settlement offers relating to securities currently or previously held in the client Account.

### ***Item 18. Financial Information***

Huesler Financial Consulting AG has not been the subject of a bankruptcy petition at any time. As of the date of this brochure we do not believe it is reasonably likely that any future liability will impact our ability to meet our contractual commitments to our clients.