

Item 1 – Cover Page

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Date of Brochure: May 6, 2020

This Brochure provides information about the qualifications and business practices of Family Governance International LLC (hereinafter referred to as “FGI,” the “Firm,” or “we”). If you have any questions about the content of this Brochure, please contact the Firm’s Chief Compliance Officer at the telephone number provided above or email us at daniel.bejarano@familygovernanceintl.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

FGI is registered as an investment adviser with the SEC. The fact that FGI is “registered” does not imply any level of skill or training. You should not make a determination to hire or retain any adviser based solely on the fact that the adviser is registered.

Additional information about us is available on the SEC’s Web site at www.adviserinfo.sec.gov. The SEC’s Web site also provides information about any persons affiliated with FGI who are registered as investment adviser representatives of the Firm.

Item 2 – Material Changes

In this Item, we are required to summarize the material changes that were made since the previously-issued annual Brochure. This Brochure, dated May 6, 2020, is the Firm's initial Brochure. Therefore, there are no material changes to report.

In the future, for each newly-issued Brochure, this Item 2 will identify and include a summary of the specific material changes that were made since the previously-issued annual update of the Brochure.

You may obtain a copy of our current Brochure any time by contacting our Firm's Chief Compliance Officer at the telephone number listed on the cover page of this Brochure.

Item 3 – Table of Contents

ITEM 1 – COVER PAGE	1
ITEM 2 – MATERIAL CHANGES	2
ITEM 4 – ADVISORY BUSINESS	4
A. <u>BUSINESS COMMENCEMENT DATE</u>	4
B. <u>OWNERSHIP</u>	4
C. <u>SERVICES</u>	4
D. <u>ASSETS UNDER MANAGEMENT</u>	5
ITEM 5 – FEES AND COMPENSATION	5
A. <u>FEES</u>	5
B. <u>TERMINATION OF SERVICE</u>	5
C. <u>OTHER FEES</u>	6
D. <u>BROKER/DEALER CHARGES</u>	6
ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	6
ITEM 7 – TYPES OF CLIENTS	6
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	7
A. <u>METHODS OF ANALYSIS</u>	7
B. <u>INVESTMENT STRATEGIES</u>	7
C. <u>RISKS</u>	9
1. <i>General Risks</i>	9
2. <i>Special Risks</i>	9
ITEM 9 – DISCIPLINARY INFORMATION	14
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	14
ITEM 11 – CODE OF ETHICS	14
ITEM 12 – BROKERAGE PRACTICES	15
A. <u>SELECTION OF BROKER/DEALER</u>	15
B. <u>ORDER AGGREGATION</u>	16
C. <u>TRADE ERROR POLICY</u>	16
ITEM 13 – REVIEW OF ACCOUNTS	16
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION	17
A. <u>ECONOMIC BENEFITS</u>	17
B. <u>REFERRAL FEES</u>	17
ITEM 15 – CUSTODY	17
ITEM 16 – INVESTMENT DISCRETION	17
ITEM 17 – VOTING CLIENT SECURITIES	18
ITEM 18 – FINANCIAL INFORMATION	19

Item 4 – Advisory Business

A. Business Commencement Date

FGL was organized in September of 2019 to offer investment management services.

B. Ownership

Mr. Bruno Ghio is the sole member of FGL.

C. Services

DISCRETIONARY ACCOUNTS. We offer discretionary investment management services to our advisory clients. Clients will be asked to provide us with certain information with respect to their current financial holdings, investment objectives, risk tolerance, liquidity needs, and time horizon. We will also inquire as to the restrictions the client wishes to impose on the management of the accounts. From the information that is supplied by the client, we will recommend an allocation mix and investment strategy that we believe is suitable for that client. We will actively manage the discretionary account on an ongoing basis in accordance with the account's investment objective(s). For a discretionary account, we would have the authority to buy and sell securities in the account without having to obtain the client's consent prior to each transaction.

LIMITED DISCRETIONARY ACCOUNTS. We also offer limited-discretionary advisory services. These services are tailored to the client's needs. Clients are asked to provide the Firm with information regarding their financial profile and any restrictions the client wishes to impose on the management of the accounts. For these limited discretionary accounts, we will recommend an investment strategy, allocation mix, or changes to the client's existing portfolio that we believe is suitable for that client. The Firm has an ongoing responsibility to make recommendations to the client based upon the client's financial and investment profile. We do not buy or sell securities in the account unless the client approves of the recommendation. Upon approval of a recommendation, we will arrange for effecting the securities transaction(s) recommended.

RECOMMENDATION SERVICES. We provide investment advice and portfolio analyses and/or recommendations to clients on an ongoing basis. Recommendations may cover not only the accounts owned directly by the client but also accounts of entities owned, beneficially or otherwise, by the client. The client implements recommendations as the client deems appropriate and arranges for those transactions.

INVESTMENT PRODUCT TYPES. The primary investment vehicles in which client accounts are invested are mutual funds and exchange-traded funds ("ETFs"). Occasionally, and based on the needs and objectives of the client, we may also advise on:

- Exchange-listed securities;
- Securities traded over-the-counter;
- Securities issued by foreign issuers, including foreign sovereign debt instruments;
- Emerging market securities;
- Corporate debt securities;
- U.S. government securities;
- Structured Products (including principal protected notes); and

- Options contracts on securities.

D. Assets Under Management

As a newly-formed firm, we were not managing any assets on a discretionary or limited-discretionary basis as of December 31, 2019.

Item 5 – Fees and Compensation

A. Fees

FEE SCHEDULE. For the discretionary and limited-discretionary portfolio management services, generally, the Firm charges an annualized 0.50% advisory fee. Fees are based on the assets under the management of FGI for the particular account. Fees will be charged quarterly and in arrears. The quarterly fee is based upon the market value of all assets held within the client's account on the last business day of the calendar quarter. For the first calendar quarter, fees will be adjusted *pro rata* based on the number of calendar days for which the advisory agreement was effective. Any contributions and/or withdrawals made during a calendar quarter may result in an adjustment to the advisory fee.

Alternatively, as agreed to between the Firm and the client, we may charge a fixed fee. The amount of the fixed fee will depend on the nature and the complexity of the services to be provided. If paying a fixed fee, the fee will be payable quarterly and charged in arrears. The first quarterly fee will be due on the first day of the first calendar quarter following the execution of the advisory agreement. The first quarterly fee will be prorated based on the number of calendar days for which the advisory agreement was effective.

Lower advisory fees may be negotiated on an individual account basis. As a result, clients with similar assets may have differing fee schedules and pay different fees. The advisory services commence on the date on which the advisory agreement is signed by us and the advisory account is funded.

HOW FEES ARE COLLECTED. For the advisory services, typically, the fees will be automatically debited from a brokerage account the client designates. We collect the fees from the amount of any contribution or transfer, from available cash in the client's account, or by liquidating the client's assets held in the client's account in an amount equal to the fees that are due. Alternatively, and where the fees are fixed, we will send an invoice directly to the client and the fees are due upon receipt of the invoice.

FEE SCHEDULE MODIFICATIONS. We may adjust the fee schedule upon thirty (30) days' prior written notice to the client. The client may be charged a *pro rata* fee in the event the client's service is terminated on a day other than the last business day of the calendar quarter. In that event, the *pro rata* fee will be due and payable upon termination of the service.

LOWER FEE DISCLOSURE. Lower fees for comparable management or other services may be available from other sources.

B. Termination of Service

In connection with the discretionary and limited-discretionary portfolio management services, upon written notice to us, within five (5) business days after entering into an agreement with us,

the client will have the right of termination without penalty or payment of fees. The Firm will refund any payment that has been made. Thereafter, either FGI or the client may terminate the agreement upon thirty (30) days' written notice to the other party. The termination provision in connection with the recommendation services is negotiated with the client. However, typically, these agreements may be terminated by the client at any time by written notice to the Firm and may be terminated by the Firm upon ten calendar days' written notice to the client.

C. Other Fees

In addition to the advisory fees charged by the Firm, other fees may apply. Brokerage commissions, transaction fees, sales loads, sales charges, management fees, administrative fees, account maintenance fees, transfer taxes, wire transfer fees, electronic fund fees, and other fees may be charged by the broker or dealer selected for execution of the securities transactions in the advisory accounts, by the custodian, and/or by the distributor, issuer or fund issuing the securities purchased and sold within the advisory accounts. The client is solely responsible for paying all such charges. 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 the Firm, and the other indirectly to the managers of those mutual funds and ETFs held in their portfolios. Neither FGI nor any of its investment adviser representatives receives any portion of these other fees.

D. Broker/Dealer Charges

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

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

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Generally, we offer advisory services to high net worth individuals, trusts, estates, organizations, or corporations or other business entities domiciled or residing in the United States or abroad. Our primary client base consists of entities, including personal investment vehicles, domiciled in Latin America.

When subscribing to the advisory services offered by us, generally, the minimum account value is US\$500,000. If the value of a client's account declines below the minimum during the advisory relationship, we reserve the right to require the client to deposit additional monies or securities to bring the account value up to the minimum requirement. In some special cases, account minimums may be waived or negotiated.

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

A. Methods of Analysis

When formulating investment advice, generally, we utilize fundamental analysis and/or technical analysis.

- Fundamental Analysis. Fundamental analysis is a method of attempting to measure a security's underlying value and potential for future growth (its intrinsic value) by examining economic, financial and other qualitative and quantitative factors directly related to the issuer/company as well as company-specific factors (like financial condition, management, and competition). The adviser compares the intrinsic value with the security's current price, with the aim of determining what position to take with the security (i.e., buy, sell or hold). Fundamental analysis has a number of risks: the analysis may be compromised by incorrect or stale data; the analysis method typically does not consider the influence of random events and acts of God; and, the market may fail to reach expectations of perceived value.
- Technical Analysis. Technical analysis is a method of evaluating a security by researching the statistics generated by market activity for that security, such as volume and prices over time. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts or computer programs to identify and project price trends. These methods can be highly subjective and analysts can make contradictory predictions from the same data. Additionally, while technical analysts believe that relational patterns they detect will be repeated under similar future market conditions, market conditions consist of many factors and any change in one factor can cause significant changes to the security's price. Further, technical analysts assume that all market factors are known to and considered by all market participants; although, in fact, we know that is not always the case.

We do not represent, warrant, or imply that any analysis method employed by us can or will successfully identify market tops or bottoms. No analysis method has been proven to insulate clients from losses due to market fluctuations, corrections or declines.

B. Investment Strategies

The primary investment strategy we employ is a long-term “buy and hold” strategy. To a lesser extent, we might also make short-term purchases, engage in frequent trading, buy on margin, and engage in option writing and uncovered options and spreading strategies. The particular strategies employed will depend upon the individual needs and risk tolerance of the client. A short description of each of these strategies follows:

- Buy and Hold. Generally, a long-term purchase is a purchase of a security or investment product with a view to holding the security or product for more than one year. Trade commissions are reduced by buying and selling less often and taxes are often reduced or deferred by holding positions longer. We typically will follow a buy and hold strategy when pursuing a global fixed income strategy, a global equity markets investment strategy, or an emerging markets investment strategy.
 - A global fixed income strategy involves participating in the broad global movement of fixed income markets through purchasing investment grade fixed-income securities that

are listed or traded on recognized markets. The objective of this strategy is to generate current income and capital growth.

- A global equity markets investment strategy seeks long-term growth in equity securities of U.S. and non-U.S. companies that we believe are priced below their intrinsic values but are still fundamentally solid and are likely to appreciate. While we do not target issuers of a particular size, most issuers will have larger capitalizations.
- An emerging markets strategy involves investing in stocks or bonds issued by companies and government entities in developing countries, such as in Latin America, Eastern Europe, Africa and Asia. Typically, there is a medium- to long-term holding period and there can be high volatility.

Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or your particular investments will decrease in value even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost (e.g., “locking-up” assets that may be better utilized in the short-term in other investments).

- Short-term purchases. A short-term purchase is a purchase of a security or investment product with the intent of possibly selling it within one year of its purchase. Using a short-term purchase strategy generally assumes that the performance of the financial markets can be accurately predicted over the short-term. The risk associated with a short-term purchase strategy is that there are many factors that may affect market performance in the short term including interest rate fluctuations and cyclical earnings. Such factors may have a smaller impact over the longer-term. In addition, short-term trading may incur a disproportionately higher amount of transaction costs compared to long-term trading.
- Frequent Trading. Our investment strategies might include frequent trading. This strategy focuses on opportunistic trades and holding the investment product for only a short period of time. We might use this strategy particularly during a volatile market in an effort to capture market gains or avoid significant losses. However, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.
- Margin Transactions. When purchasing securities on margin, you are employing leverage as an investing strategy. Leverage allows an investor to extend their financial reach by investing using borrowed funds while limiting the amount of their own cash used. The borrower will be required to pay interest on the loan. Purchasing on margin involves a high degree of risk, including, without limitation: losing more money than you have invested; being required to deposit additional cash or securities in your account on short notice to cover market losses; being forced to sell some or all of your securities when falling stock prices reduce the value of your securities; and/or having your brokerage firm sell some or all of your securities without consulting you to pay off the loan it made to you.
- Option Writing. Investors can sell options in order to obtain additional income from premiums paid by the option buyer. The positive potential of this strategy is limited because the most money the investor can earn is the amount of the option premium.

- Uncovered Options and Spreading Strategies. Uncovered options trading can be more risky than writing covered call options. The potential loss is theoretically unlimited. An option spread involves combining two different option strikes as part of a limited risk strategy.

The concept of asset allocation, or spreading investments among a number of asset classes (e.g., domestic stocks vs. foreign stocks; large cap stocks vs. small cap stocks; corporate bonds vs. government debt instruments), plays a prominent role in executing an investment strategy. Asset allocation seeks to achieve diversification of assets in order to reduce the risk associated with investing all or a significant portion of a client's portfolio in one asset class. We believe that risk reduction is a key element to long-term investment success.

C. Risks

1. *General Risks*

Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk and there can be no assurance that any specific investment or investment strategy will either be suitable or profitable for a client's investment portfolio. Past performance is not indicative of future results. A client should not assume that the future performance of any specific investment, investment strategy, or product will be profitable or equal to past or current performance levels. We cannot assure that the investment objectives of any client will be realized.

2. *Special Risks*

While investing in any security involves risk, investing in some types of securities carries special risks. A summary of the special risks associated with some types of securities we may recommend or we may purchase or sell in your account is provided below. Please note that the following summaries are general in nature and do not include an explanation of all risks associated with a given security type.

- a. Common Stocks. The major risks associated with investing in common stocks relate to the issuer's capitalization, quality of the issuer's management, quality and cost of the issuer's services, the issuer's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the issuer's ability to create shareholder value (e.g., increase the value of the company's stock price).
- b. Convertible Stocks. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value." The investment value of a convertible security is influenced by changes in interest rates, the credit standing of the issuer and other factors. The conversion value of a convertible security is determined by the market price of the underlying common stock. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. A convertible security will generally be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security is called for redemption, the investor will be required to permit the issuer to redeem the security, convert it into the underlying common stock, or sell it to a third party. Any of these actions could have an adverse effect on the investor's ability to achieve his/her investment objective(s).

- c. Bonds. Bonds are subject to credit risk, which is the risk of default associated with the issuer. Bonds are also subject to interest rate risk or the risk that changes in interest rates during the term of the bond might affect the market value of the bond prior to the call or maturity date. Investors should also consider inflation risk, which is the risk that the rate of the yield to call or maturity will not provide a positive return over the rate of inflation for the period of the investment.
- d. Foreign-Issued Securities. Debt and equity investments associated with foreign countries may involve increased volatility and risk due to, without limitation:
 - Political Risk. Many foreign countries are undergoing, or have undergone in recent years, significant political change that has affected government policy, including changes in the regulation of industry, trade, financial markets, and foreign and domestic investment. The relative instability of these political systems leaves these countries more vulnerable to economic hardship, public unrest or popular dissatisfaction with reform, political or diplomatic changes, social instability, or changes in government policies. For investors, the results may include confiscatory taxation, exchange controls, compulsory reacquisition, nationalization or expropriation of foreign-owned assets without adequate compensation, or the restructuring of certain industry sectors in a way that could adversely affect investments in those sectors.
 - Sovereign Risk. Strikes, the imposition of exchange controls, or declarations of war may prevent or impede repayment of funds due from a particular country.
 - Economic Risk. The economies of these countries may be more vulnerable to rising interest rates and inflation. Investments may be negatively affected by rates of economic growth, corporate profits, domestic and international flows of funds, external and sovereign debt, dependence on international trade, and sensitivity to world commodity prices. Additionally, a change in tax regime may result in the sudden imposition of arbitrary or additional taxes.
 - Currency Risk. The weakening of a country's currency relative to the U.S. dollar or to other benchmark currencies will negatively affect the dollar value of an instrument denominated in that currency.
 - Credit Risk. Issuers and obligors of sovereign and corporate debt may be unable to make timely coupon or principal payments, thereby causing the underlying debt or loan to enter into default.
 - Liquidity Risk. Natural disasters as well as economic, social, and political developments in a country may cause a decrease in the liquidity of investments related to that country, making it difficult to sell quickly, and/or subjecting the seller to substantial price discounts.

The nature and extent of these risks vary from country to country, among investment instruments, and over time.

- e. Emerging Market Securities. Investments and transactions in products linked to issuers and obligors incorporated, based, or principally engaged in business in emerging markets countries carry increased risk and volatility. In addition to the political, sovereign,

economic, currency, credit, and liquidity risks described above, emerging market securities can be subject to the following risks:

- Market Risk. The financial markets can lack transparency, liquidity, efficiency.
 - Regulatory Risk. There may be less government supervision and regulation of business. The supervision that may be in place may be subject to manipulation or control. Disclosure and reporting requirements may be minimal or non-existent.
 - Legal Risk. The process of legal reform may not proceed at the same pace as market developments, which could result in uncertainty. Legislation to safeguard the rights of private ownership may not yet be in place.
 - Settlement and Clearing Risk. The registration, recordkeeping and transfer of instruments may be carried out manually, which may cause delays.
- f. Cash Equivalents. Cash equivalents are the most liquid investment assets with low risk and low returns. Cash equivalents are short-term fixed income assets with maturity of 3 months or less. However, these assets are subject to interest rate risk. Interest rates may fluctuate due to certain events taking place in the world including but not limited to economic events, geopolitical or social instability (global, regional or local), currency, interest rate and commodity price changes, and government or governmental agency responses to economic or political conditions.
- g. Mutual Funds. Most mutual funds fall into one of three main categories — money market funds, bond funds (also called "fixed income" funds), and stock funds (also called "equity" funds). Generally, the higher the potential return, the higher the risk of loss. A fund's investment objective and its holdings are influential factors in determining risk. Past performance is not a reliable indicator of future performance. Reading the prospectus will help you to understand the risk associated with that particular fund.

Different mutual fund categories have inherently different risk characteristics. For example, a bond fund faces credit risk, interest rate risk, and prepayment risk. Bond values are inversely related to interest rates. If interest rates rise, bond values will go down and vice versa.

Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons — such as the overall strength of the economy or demand for particular products or services. A sector stock fund (which invests in a single industry, such as telecommunications) is at risk that its price will decline due to developments in its industry. A stock fund that invests across many industries is more sheltered from this risk.

For most funds, investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs. And, depending on the timing of their investment, investors may also have to pay taxes on any capital gains distribution they receive.

- h. Exchange-traded Funds ("ETFs"). An ETF is a type of investment company (usually, an open-end fund or unit investment trust) containing a basket of stocks. Typically, the objective of an ETF is to achieve returns similar to a particular market index, including sector indexes. An ETF is similar to an index fund in that it will primarily invest in securities of companies that are included in a selected market. Unlike traditional mutual

funds, which can only be redeemed at the end of a trading day, ETFs trade throughout the day on an exchange. Like stock mutual funds, the prices of the underlying securities and the overall market may affect ETF prices. Similarly, factors affecting a particular industry segment may affect ETF prices that track that particular sector.

ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because (i) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark, (ii) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable, and (iii) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF.

- i. Structured Products. “Structured Products” are broadly defined as investments whose cash flows and investment characteristics are derived and structured from the performance and cash flows of an underlying or reference pool of assets, which in turn could be bonds or loans or other forms of assets or contracts. There are many types of securities that fall within the “structured products” category. These products often involve a significant amount of risk as they are often based on derivatives. Structured products are intended to be “buy and hold” investments and are not liquid instruments.
- j. Principal-protected Notes. Principal-protected notes are type of structured product. The principal guarantee is subject to the credit-worthiness of the guarantor. In addition, principal protection levels can vary. While some products guarantee 100 percent return of principal, others guarantee as little as 10 percent. In most cases, the principal guarantee only applies to notes that are held to maturity. Issuers may (but are not obligated to) provide a secondary market for certain notes but, depending on demand, the notes may trade at significant discounts to their purchase price and might not return all of the guaranteed amount. Some principal-protected notes have complicated pay-out structures that can make it hard for an adviser to accurately assess their risk and potential for growth.
- k. Options. Options are complex securities that involve risks and are not suitable for all investors. Option trading can be speculative in nature and carry substantial risk of loss. The complexity of some option strategies is a significant risk on its own. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the “expiration date”). The two types of options are calls and puts:
 - A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. When we buy a call, we hope that the stock will increase substantially before the option expires.
 - A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are similar to having a short position on a stock. When we buy a put, we hope that the price of the stock will fall before the option expires.

Buyers. The option trading risks pertaining to options buyers are:

- Risk of losing your entire investment in a relatively short period of time.

- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
- European style options which do not have secondary markets on which to sell the options prior to expiration can only realize its value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing value.

Sellers. Selling options is more complicated and can be even riskier:

- Options sold may be exercised at any time before expiration.
- Covered call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock.
- Writers of call options can lose more money than a short seller of that stock on the same rise on that underlying stock. This is an example of how the leverage in options can work against the option trader.
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options.
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction.
- The value of the underlying stock may surge or ditch unexpectedly, leading to automatic exercises.

1. Index Options. Index options offer a known risk to buyers. An index option buyer cannot lose more than the price of the option (the premium). Index options can provide leverage. This means an index option buyer pays a relatively small premium for market exposure in relation to the contract value. An investor can see large percentage gains from relatively small, favorable percentage moves in the underlying index. If the index does not move as anticipated, the buyer's risk is limited to the premium paid. However, because of leverage, a small adverse move in the market can result in a substantial or complete loss of the buyer's premium. Writers of index options bear substantially greater risk, if not unlimited. A spreading technique is one of the ways to avoid a catastrophic loss on a short option position, as there would be an offsetting long option position in place to limit the loss.

There may be other circumstances not described here that could adversely affect a client's investment and prevent the portfolio from reaching its objective. Prior to entering into an investment advisory agreement with us, you should carefully consider: (i) committing to management only those assets that you believe will not be needed for current purposes and that can be invested on a long-term basis; (ii) that volatility from investing in the market can occur; and (iii) that, over time, the value of your portfolio may fluctuate and may, at any time, be worth more or less than the amount originally invested.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding certain legal or disciplinary events related to the adviser or the adviser's management. Neither FGI nor any of its personnel has been subject to any such legal or disciplinary events.

Item 10 – Other Financial Industry Activities and Affiliations

- A. Neither the Firm nor any management person of the Firm is registered or has an application pending to register as a broker/dealer or a registered representative of a broker/dealer.
- B. Neither the Firm nor any management person of the Firm is registered or has an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of any of the foregoing entities.
- C. The sole member of FGI also owns LFO S.R.L. based in Perú ("LFO"). FGI will enter into a management agreement with LFO whereby LFO will supply FGI with requested asset allocation recommendations. LFO may implement or disregard the recommendations made. LFO does not share offices with FGI. Other than the relationship described above, neither the Firm nor any management person of the Firm has any arrangements that are material to its business with any related person.
- D. We do not recommend or select other investment advisers for our clients.

Item 11 – Code of Ethics

Securities industry regulations require that advisory firms provide their clients with a general description of the advisory firm's Code of Ethics. FGI has adopted a Code of Ethics that sets forth the governing ethical standards and principles of the Firm. It also describes our policies regarding the following: the protection of confidential information, including the client's nonpublic personal information; the review of the personal securities accounts of certain personnel of the Firm for evidence of manipulative trading, trading ahead of clients, and insider trading; trading restrictions; training of personnel; and, recordkeeping. All supervised persons at FGI must acknowledge the terms of the Code of Ethics upon hire and as amended.

Subject to satisfying the Firm's policies and applicable laws, managers, officers, and employees of the Firm and its affiliates may trade for their own accounts in securities that are recommended to and/or purchased for Firm's clients. The Code of Ethics is designed to permit associated persons to invest for their own accounts while assuring that their personal transaction activity does not interfere with making decisions in the best interest of advisory clients or implementing those decisions. Neither the Firm nor any associated person of the Firm who (a) has access to nonpublic information regarding clients' securities transactions, (b) is involved in making securities recommendations to clients, or (c) has access to securities recommendations that are not public (collectively, the "Access Persons") is permitted to trade in or engage in a securities transaction to his or her advantage over that of a client. Access Persons are prohibited from buying or selling securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public upon reasonable inquiry. Access Persons may not execute transactions in their personal accounts ahead of a client's transaction in the same security unless certain circumstances exist. Because the Code of Ethics in some circumstances permits 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 by the Firm's Chief Compliance Officer in an effort to prevent conflicts of interest between FGI and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with FGI's obligation of best execution. In such circumstances, all persons participating in the aggregated order will receive an average share price with all other transaction costs shared on a *pro rata* basis. The Firm 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 must be pre-approved by the Chief Compliance Officer.

Our clients or prospective clients may request a copy of the Firm's Code of Ethics by contacting the Chief Compliance Officer at the address or telephone number specified on the cover page and requesting a copy.

Item 12 – Brokerage Practices

A. Selection of Broker/Dealer

1. **Brokerage Activity.** When a client retains us to manage an account, unless otherwise agreed to, the client grants us the authority to select the broker/dealer(s) that will be used to place and execute the transactions in the advisory accounts. It is our policy and practice to strive for the best price and execution that are competitive in relation to the value of the transaction ("best execution"). In selecting a broker, dealer or other intermediary, we consider such factors that in good faith and judgment we deem reasonable under the circumstances. The Firm typically evaluates the following factors when recommending a broker/dealer to a client:
 - Execution ability, including without limitation:
 - Trading experience in markets/securities needed
 - Quality of trading
 - Clearance and settlement efficiency and accuracy
 - Accuracy and timeliness of order execution, reports and confirmations
 - Costs, including commission rates, ticket charges, other service charges, and the means to correct errors in an acceptable manner
 - Customer service, including responsiveness to the Firm
 - Commitment to technology and security of confidential information
 - Adequacy of capital and financial responsibility
 - Reputation and integrity
2. **"Soft Dollar" Considerations.** A "soft dollar" arrangement occurs when a firm directs its brokerage to a particular broker/dealer that charges brokerage commissions that are higher than they would be for an "execution only" trading relationship in exchange for products or services, such as research. Under such an arrangement, the firm would receive a benefit

because it would not have to produce or pay for the products or research. The Firm is not party to any such “soft-dollar” arrangement.

Clients may pay commissions higher than those obtainable from other brokers for the same services rendered by the Firm or the broker/dealer or other intermediary used for execution.

In observance of its fiduciary duty, the Firm will, at least annually, conduct a survey to determine whether the Firm is meeting its duty of best execution.

B. Order Aggregation

From time to time, we may determine that the purchase or sale of a particular security is appropriate for multiple advisory client accounts, based on a variety of reasons. When this happens, we may determine that it is appropriate in the interests of efficient and effective execution to attempt to execute the trade orders as one or more block trades (*i.e.*, aggregate the individual trade for each account into one or more trade orders). These circumstances may, in turn, give rise to actual or potential conflicts of interest among the accounts for whom the security purchase or sale is appropriate, and among the subset of those accounts actually participating in a block trade, especially if the block trade order results in a partial fill. In order to address these conflicts, we have adopted certain policies and procedures that we follow when aggregating trades in an effort to provide an objective and equitable method of trade allocation so that all clients are treated fairly. The basic objectives of these policies and procedures are as follows:

1. We will only aggregate trades when we believe that the aggregation is consistent with our duty to seek best execution for our clients;
2. We will strive to ensure that no client account is favored over any other client account; and
3. Each account that participates in an aggregated transaction shall participate at the average of the executed share price for that security, with all transaction costs shared on a *pro rata* basis.

C. Trade Error Policy

From time to time, errors may occur in the trading process, including (1) overbuying or overselling of securities, into or out of an account, caused by clerical errors made by our personnel, or (2) buying or selling of securities, into or out of an account, which is in violation of a client's stated investment guidelines that had been previously communicated to us in writing.

In all cases of a trade error caused by us, it is our policy to endeavor to resolve the error in the best interest of the client and adjust the trade as needed in order to put the client's account in such a position as if the error had not occurred. Where we are unable to adjust the trade and the trade resulted in a loss, we will reduce the amount of advisory fees in the following quarter by the same amount of the loss. Where our trade error results in a gain and the client is unable or restricted from receiving that gain for any reason, we will donate the gain to charity.

Item 13 – Review of Accounts

Advisory accounts are reviewed at least monthly by a member of Senior Management. Also, reviews will be conducted upon a client's specific request or upon the occurrence of any agreed-upon triggering events (such as upon a 10 percent decline in the portfolio's value over a thirty-day period). There is no maximum number of accounts that could be assigned to a member of Senior Management. For

discretionary accounts, the allocation of each portfolio is adjusted at our discretion in accordance with the account's investment objectives and risk tolerance.

At least annually, a member of Senior Management will meet with the advisory client to discuss and review the account's objectives as well as any changes to the client's financial or investment profile. The meeting may take place in person, by video or audio conference, by telephone, by electronic mail, by regular mail, or by any means of contemporaneous electronic interactive communication.

The executing broker/dealers and/or custodians who maintain the client accounts will notify the client of any account activity by delivering a confirmation of the transaction to the client. The executing broker/dealer(s) or the custodian(s) will also furnish the client with a monthly or quarterly account activity and position statement.

Item 14 – Client Referrals and Other Compensation

A. Economic Benefits

Generally, neither the Firm nor any of our employees receives any economic benefit, sales awards or other prizes from any outside parties for providing investment advice to our clients.

B. Referral Fees

At this time, we do not pay referral fees to persons or entities for the referral or introduction of advisory clients to the Firm.

Item 15 – Custody

FGI does not obtain custody of client's monies or securities. Clients should receive, on at least a quarterly basis, statements from the broker/dealer, bank or other qualified custodian that holds and maintains the client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the consolidated 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.

Item 16 – Investment Discretion

FGI offers discretionary management services and limited discretionary management services. FGI obtains discretionary authority only in connection with its discretionary management services. When a client elects FGI's discretionary management services, the client will sign an agreement that provides FGI with the discretionary authority. FGI is then authorized to select the securities and the quantities or amounts of securities to be purchased, leveraged, transferred, exchanged, traded and sold consistent with the stated investment objectives and investment restrictions adopted by the client. FGI's discretionary authority is limited by (1) any reasonable restrictions that the client places on the management of the account, and (2) the investing parameters set forth by FGI and the client, if any. If FGI deems a proposed restriction unreasonable, FGI may discontinue the advisory service. Reasonability is based on whether the restriction(s) will impose a significant time burden on FGI to comply with such restrictions. As described above, we also obtain the authority to designate the broker/dealers or other financial intermediaries through whom transactions in the accounts will be executed, cleared or settled. For the

limited discretionary accounts, we have only time and price discretion as each transaction must be pre-approved by the client.

Item 17 – Voting Client Securities

FGI exercises proxy voting authority over certain clients' securities. When voting proxies, we will not be influenced by external sources whose interests conflict with the interests of our advisory clients. Any conflict of interest will be resolved in the interests of the advisory clients. If, in voting shares, we identify a material conflict of interest between our interests (including those of our personnel) and those of the advisory clients, we will disclose the conflict to the relevant client(s). In such cases, we will defer to the voting recommendation of an independent third party provider of proxy services, send the proxy directly to the relevant client(s) for a voting decision, or take such other action in good faith which would protect the interests of our advisory clients.

We have adopted general guidelines for voting proxies. These guidelines are not necessarily determinative in all cases and we may cast votes contrary to the general guidelines, should the facts and circumstances warrant. In all cases, we will, in good faith, vote the proxies in our advisory clients' interests. A non-exhaustive list of the general guidelines is summarized below:

- A. We should give great weight to the recommendations of the company's management so long as the ratification of the management's position would not adversely affect the investment merits of owning that company's shares.
- B. We support an independent board of directors, and prefer that key committees such as audit, nominating, and compensation committees be comprised of independent directors.
- C. We oppose ratification of auditors when there is clear and compelling evidence of accounting irregularities or negligence attributable to the auditors.
- D. A company's equity-based compensation plan should be in alignment with the shareholders' long-term interests.
- E. We oppose anti-takeover measures.
- F. Corporate restructuring proposals are also subject to a thorough examination on a case-by-case basis.
- G. We will generally vote in favor of employee stock ownership plans, employee stock purchase plans, and 401(k) plans.
- H. We oppose dual-class capital structures to increase the number of authorized shares where that class of stock would have superior voting rights.
- I. We support management's position relating to social, environmental and ethical issues unless we believe that supporting the position will materially and adversely affect the economic interests of our advisory clients.

You may obtain a copy of our Proxy Voting Policies as well as our voting record for your shares by writing to us and requesting a copy.

Item 18 – Financial Information

We are required in this Item to provide you with certain information or disclosures regarding our financial condition. Following is the information responsive to this Item:

- We do not require prepayment of more than \$1200 in fees six months or more in advance.
- There are no financial conditions or commitments that are likely to impair our ability to meet any contractual or fiduciary commitment to our clients.
- We have not been the subject of a bankruptcy petition.