

# **FORM ADV PART 2A: FIRM BROCHURE**

## **Entoro Investments, LLC**

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### **Firm Contact**

Abdissa Gemechu

Chief Compliance Officer

August 10, 2021

This Brochure provides information about the qualifications and business practices of Entoro Investments, LLC, ("Entoro Investments"), a registered as an Investment Adviser with the United States Securities and Exchange Commission ("SEC"). Registration with the SEC does not imply a certain level of skill or training. If you have any questions about the contents of this Brochure, please contact us at 713-823-2900. The information in this Brochure has not been approved or verified by the SEC or any state securities agency. additional information about Entoro Investments is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

Material changes since the firms filing in February of 2021:

Entoro Wealth LLC has changed its name to Entoro Investments, LLC

Currently, our Brochure may be requested free of charge by contacting us at 713-823-2900. Entoro Investments is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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#### **Item 4 - Advisory Business**

Entoro Investments, LLC ("Entoro Investments" or "The Adviser") is located in Houston Texas. Entoro Investments is wholly owned by Entoro, LLC of which James C. Row is the majority owner. Entoro Investments is under common control with Entoro Securities, LLC, its affiliated broker/dealer member firm of the Financial Industry Regulatory authority ("FINRA-").

#### **Assets Under Management**

Prior to Entoro Gray Swan Fund, Entoro Investments did not have any assets under management. As of December 31, 2020 Entoro Investments manages approximately \$0.00 in client assets broken down as follows:

- Discretionary: \$0.00
- Non-Discretionary: \$0.00

#### **Entoro Gray Swan Fund**

Entoro Investments will provide investment advisory services to the Entoro Gray Swan Fund, a Delaware statutory trust, which will be registered with the Securities and Exchange Commission (the "SEC") as a registered investment company.

#### **Financial Advisory Services to Individuals**

Entoro Investments provides comprehensive financial advisory services to individual clients ("Comprehensive Services"). These Comprehensive Services bundle investment advisory services, financial planning services, and other related services into a single fee-based offering. Comprehensive Advisory Services will be tailored to a client's specific needs and goals through a dialogue concerning their assets, liabilities, income, expenses, goals, and objectives.

Entoro Investments provides investment advisory services to its clients on a discretionary basis, that is, the Adviser executes securities transactions for clients without having to obtain specific client consent prior to each transaction. Entoro Investments places trades for clients under a limited power of attorney. Discretionary authority is limited to investments within a client's managed account. The Adviser does not act as a custodian of client assets. The client always maintains asset control.

Entoro Investments' investment advisory services generally include advice regarding asset allocation, the selection of investments, investment plan implementation, and ongoing investment monitoring. The Adviser relies on the stated objectives of the client and considers the client's risk profile and financial status prior to making any recommendations.

Upon entering into an advisory agreement, the Adviser will collect information concerning the client's investment goals and experience, risk tolerance, and income needs, as well as financial information such as assets, liabilities, and portfolio statements. Based on the information provided by the client, the Adviser will recommend investment solutions consistent with the

client's stated goals and objectives.

While Entoro Investments does not limit to the types of investments offered, clients may impose restrictions on investing in certain securities or types/classes of securities.

#### Actively-Managed Liquid Securities

Entoro Investments manages different liquid asset allocation models, each designed to meet a specific investment goal. Security selection within each model may be comprised of load and no-load mutual funds, exchange-traded funds (ETFs), and/or individual securities. Each model has a strategic asset allocation. However, the Adviser may alter a model's actual asset allocation based on fundamental /technical analysis of the markets, and/or macroeconomic forecasts. The Adviser, acting in a limited discretionary capacity, chooses when to execute any trade.

#### Illiquid Direct Participation Investments (DPIs)

The Adviser conducts due diligence on different illiquid direct participation investments (DPIs). DPI offering structures may be private equity (for example, Regulation D, Regulation A, etc.), public non-traded offerings (for example, S-1 offerings, Intrastate offerings, Business Development Companies (BDCs), non-traded mutual funds, etc.), non-traded Real Estate Investment Trusts (REITs), and/or non-traded oil and gas programs.

DPIs will often have minimum investor suitability standards, which are disclosed within an investment's prospectus or offering circular. More restrictive State or firm-level suitability or concentration standards may be applied.

For purposes of determining suitability, the Adviser defines the following terms:

- Annual Income – Personal income from sources such as employment, alimony, social security, investment income, etc.
- Household Net Worth – The value of all assets minus all liabilities. Assets include stocks, bonds, mutual funds, other securities, bank accounts, real assets (e.g., real estate), and other personal property as well as primary residence. Liabilities include mortgage, margin loans, outstanding loans, credit card balances, taxes, etc.
- Investable Net Worth – The value of “investable” assets minus liabilities associated with those assets. Investable assets include stocks, bonds, mutual funds, other securities, bank accounts, hard assets (e.g., real estate), and other investments less any costs associated with liquidating such assets (e.g., redemption fees, contingent sales charges, sales commissions, taxes and tax penalties if the client is less than 59.5 years old and liquidating qualified accounts, etc.) Primary residence, personal-use automobiles, and personal belongings are not included. Liabilities include any margin loans and other associated outstanding loans. Any mortgage on the primary residence is not included unless the mortgage balance is greater than the fair market value of the primary residence. If this should happen, the amount of the mortgage that is greater than the value of the home is included as a liability. Any amount of the mortgage balance that has increased over the prior 60 calendar days of calculating net worth is included.

- Liquid Net Worth – Investable Net Worth minus assets that cannot be converted quickly and easily into cash, such as real estate, business equity, personal property and automobiles, expected inheritances, assets earmarked for other purposes, and investments or accounts subject to substantial penalties (e.g., penalties or redemption fees greater than five percent of the face value of the investment) if they were sold or if assets were withdrawn from them.
- Accredited Investor – As defined under Rule 501 of Regulation D under the Securities Act, an Accredited Investor is an individual or joint with spouse with greater than \$1,000,000 in Investable Net Worth, or individual Annual Income in excess of \$200,000 in each of the two most recent years, \$300,000 if jointly, and has a reasonable expectation of reaching the same income level in the current year.)

While DPIs may offer interval-based (i.e., quarterly), periodic tender offers, or some other form of an early redemption feature, in general, any DPI should be considered illiquid. That is, an investor should consider any DPI as being illiquid and without a secondary market upon which to sell one's investment and thus no opportunity to convert one's investment into cash. Anticipated holding periods will vary depending on the nature and strategy of the DPI. The Adviser will communicate anticipated holding periods per language provided within each DPI's prospectus or offering circular. However, there is no guarantee that a liquidity event will occur within the prescribed timeframe if at all.

All DPIs should be considered speculative in nature, subject to a high degree of risk, including the risk of losing one's entire investment.

#### Special Circumstance Direct Participation Investments (SCDPIs)

Entoro Investments offers the management of various Special Circumstance Direct Participation Investments (SCDPIs). While the Adviser's security selection capacity is broad, a common feature of a SCDPI is the potential to derive some tax mitigation benefit. Common SCDPIs include: Section 1031 Exchanges, Conservation Easements, and Oil and Gas Drilling Programs.

Each SCDPI will have specific investor Net Worth and Suitability standards, which will be disclosed per each prospectus or offering circular. In general, most SCDPIs will require the investor to be "accredited", which is defined as an investor who earns an individual income of more than \$200,000 per year, or a joint income of \$300,000, in each of the last two years and expect to reasonably maintain the same level of income, or has a net worth exceeding \$1 million, either individually or jointly with his or her spouse.

In general, SCDPIs have long holding periods and should be considered illiquid. The Adviser will communicate anticipated holding periods per language provided within each SCDPI prospectus or offering circular. However, there is no guarantee that a liquidity event will occur within the prescribed timeframe or at all. While each SCDPI will have its own unique set of risks, all SCDPIs should be considered speculative in nature, subject to a high degree of risk, including the risk of losing one's entire investment.

A minimum of \$100,000 in assets is required; however, the Adviser may waive such minimum at its sole discretion.

### Third-Party Separately Managed Account Programs

Entoro Investments may use a third-party separately managed account (SMA) program offered through various custodians. With SMA programs, the SMA sponsor selects the investments, monitors and evaluates investment performance, and executes portfolio transactions without commission charges. All of these services are generally provided via a single management fee in which the client pays to the SMA sponsor. Specifics regarding these offerings are described in separate fee program brochures prepared and distributed by the SMA sponsor. The total fees charged by the fee program sponsor, including brokerage and custodial fees, may in total exceed the cost of separately obtaining brokerage, custody, and other services if such fees were negotiated separately. the Adviser maintains discretion on SMA-managed accounts. A minimum of \$25,000 in assets is required; however, the Adviser may waive such minimum at its sole discretion.

### Wrap-Fee Programs

Entoro Investments does not sponsor nor is a portfolio manager for a wrap fee program, and is not compensated in the program for sponsoring, organizing or administering a program, or for selecting, or providing advice to clients regarding the selection of other investment advisers in the program.

### Investment Advisory Services to Institutions

Entoro Investments offers investment advisory services specifically tailored to the needs and special circumstances of businesses, including their pension and retirement plans. These services are generally provided in conjunction with other professionals and include investment management services for pension and profit-sharing plans, 401(k) plans, 403(b) plans, SEP IRA plans, SIMPLE IRA plans, non-qualified deferred compensation plans, asset protection plans, executive salary continuation plans, cross-purchase and stock redemption agreements, and employee advisory services.

The Adviser also provides general investment advisory services specifically tailored to the needs of a trustee or other fiduciary, including but not limited to, meeting the definition of “fiduciary” under the Employee Retirement Income Security Act of 1974 (“ERISA”) or an employee benefit plan subject to ERISA.

### Investment Advisory Services to Financial Intermediaries

Entoro Investments offers investment advisory services to financial intermediaries (e.g., broker-dealers and registered investment advisers), serving as a sub-adviser to the financial intermediary. The Adviser’s investment advisory services may include assisting the financial intermediary with investment policy statement determination, asset allocation, investment

selection, portfolio management, and client reporting. The Adviser's investment advisory services are generally provided on a discretionary basis. Entoro Investments may also offer investment advisory services on a non-discretionary basis. For these clients, the Adviser will contact the client before making recommendations the Adviser deems to be appropriate for the client.

### Educational Seminars

Entoro Investments hosts educational seminars for various audiences, including clients and prospects. The Adviser does not intend to generate revenues for itself by hosting educational seminars. However, in certain circumstances, an attendance fee may be charged in order to cover hard costs, such as, but not limited to, food, professional speaker fees, room rentals, overnight accommodations, etc. Whether a seminar is complimentary or there is an attendance fee is outlined on any related promotional material. Attendance fees, if any, are expected to not exceed \$200 per person per event.

Seminars are generic in nature and can cover a number of topics, including, but not limited to:

- Basics of Investing
- Financial Planning Concepts
- Asset Allocation
- Estate Planning Concepts
- Benefits Planning
- Retirement Planning

## **Item 5 - Fees and Compensation**

Unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory agreement, the client may terminate the advisory services agreement within five (5) business days of signing the agreement without incurring any advisory fees. Total fees for all services combined, including third-party separately managed account programs, will not exceed three percent (3%) for non-qualified clients.

### *Advisory Fee*

The Adviser's fee schedules for Advisory Services are outlined in the Adviser's fee agreement. Fees are calculated using an agreed upon fee applied to the value of the managed portfolio on the last day of the prior calendar month. Clients authorize the Adviser to directly debit the fees from specific client accounts designated by them.

### *Performance Fee*

The Adviser's Performance Fee for qualified clients is outlined in the Adviser's fee agreement. Fees are calculated as 20% per annum of the Net Excess Appreciation for the monies and Securities in the Account, on an annual basis (the "Performance Fee"), provided that the Performance Fee for any year will be charged only if the Net Excess Appreciation applicable to the Securities in the Account exceeds the "high water mark" per year. For purposes of this Agreement, the Net Excess Appreciation is the increase in fair market value of the portfolio under



management (before accrual or deduction of the Performance Fee, but after payment and accrual of all fees, commissions and the Advisory Fee) in excess of the High Water Mark as stated in the Advisers fee agreement. Clients authorize the Adviser to directly debit the fees from specific client accounts designated by them.

#### Provisions That Apply to All Investment Advisory Services Offerings

##### *Account Opening*

Clients must provide Entoro Investments with accurate account numbers in order to start service. The Adviser will have no responsibility for losses if a client provides the Adviser with incorrect or incomplete account numbers with the mutual fund company, brokerage firm, clearing firm or other custodian.

Entoro Investments may hold a client's account assets in a cash position until an appropriate "buy" investment timing signal is generated.

##### *Limited Power of Attorney*

Clients will open a securities account at the custodian or broker-dealer in which Entoro Investments has a relationship, and provide necessary paperwork and limited power of attorney for the Adviser to manage securities. The Adviser is not responsible for the broker-dealer's services or if, for whatever reason, the broker-dealer does not allow the Adviser to act on the client's behalf under the limited power of attorney agreement. The client is the legal and beneficial owner of all securities held in the account. The Adviser will only have the ability to effect transactions pursuant to the limited power of attorney. Clients may enter orders on their own behalf without the Adviser's permission or foreknowledge; however, clients should notify the Adviser within a reasonable period of time of any and all transactions made on their own. Any transactions initiated by the client are their responsibility.

##### *Negotiated Fees*

Entoro Investments may negotiate its fees taking into consideration such things as the size of the client's account, the number of accounts, the client's relationship with other clients, the length of the relationship, the complexity of the client's personal circumstances, the composition of the portfolio, the complexity of investment strategies, the frequency of desired meetings or special reporting, and other factors that affect the Adviser's cost of providing services. If the client, his/her family, or related persons also have accounts under the Adviser's management, those accounts may be aggregated for fee calculation purposes. For these reasons, the Adviser's fees may vary among clients who may be in similar circumstances. Other investment advisors may charge higher or lower fees for comparable services.

##### *Transaction and Exchange Fees*

Besides investment advisory service fees, the client pays all brokerage charges related to

securities transactions for the account and, if applicable, any custodian's fees. During a trade or exchange, an investment company or custodian may charge a transaction or exchange fee and deduct it from the proceeds before distribution or reinvestment. Client should carefully review any investment prospectuses, so they are aware of the specific amount of the transaction or exchange fee that may be charged.

#### *Client-Initiated Trades*

The client agrees not to cause or permit any trade or exchange to be made in any Adviser-managed account that is inconsistent with the Adviser's recommendations. Any acts inconsistent with the foregoing shall relieve the Adviser of any and all liability.

#### *Potential Conflicts of Interests*

Some of Entoro Investments' advisory representative(s) are also registered in a brokerage capacity as registered representative(s) of Entoro Securities, LLC ("Entoro Securities"). As such, Entoro Securities, on behalf of its advisory representatives may receive compensation and 12b-1 fees from mutual funds in which client assets are invested. These fees and commissions are in addition of Entoro Investments' advisory fees charged to the client. Receipt of these fees and commissions may create a conflict of interest by giving the advisory representative an incentive to recommend investment products based on compensation received by such advisory representative, rather than on the client's needs. Entoro Investments seeks to address this conflict of interest by disclosing to clients the receipt of fees and compensation by certain advisory representatives in connection with the execution of client transactions, by utilizing share classes of mutual funds that either minimize brokerage and or commissions, waiving the receipt of such compensation, and/or providing a reduction in the advisory fees by the commissions earned.

#### *Fee Processing*

Unless otherwise specified, client fees for Entoro Investments' investment advisory services are assessed monthly in arrears. A Client's first billing cycle will be pro-rated based on the number of days the Client's account was open and funded (as defined as first monies deposited in the account) during the month. The Adviser reserves the right to (i) invoice in advance based on an annual period or semi-annual period at its sole discretion and charge the appropriate fee for such period; (ii) negotiate fees at its sole discretion; and (iii) modify the fee schedule upon a minimum of thirty (30) days prior written notice to the Client. If the Client fails to pay his/her fee within thirty (30) days of the date billed, the Adviser reserves the right to charge interest at the highest rate allowed by law and the Adviser shall be entitled to reimbursement of its cost of collecting such fees and interest, including reasonable attorney fees, on all outstanding fees and interest due to Adviser.

For the purpose of determining the fee on liquid managed securities, the market value of the asset under management shall be measured after market close on the last business day of the month immediately preceding the billing cycle. For liquid managed securities, fees are typically deducted directly from the account under management. However, in certain circumstances, the client may elect to have fees deducted from a separate account. Additionally, the client may elect to pay by check.

For the purpose of determining the fee on illiquid direct participation programs, the Adviser uses the valuation of the investment or fund as reported by the investment sponsor on the last business day of the month immediately preceding the billing cycle. Investment sponsors vary on the timeliness of their valuation reporting, ranging from daily, monthly, quarterly, or annually; some do not update the valuation of its investment or fund until it has achieved a liquidity event. If no valuation has been provided by the sponsor on the last business day of the month immediately preceding the billing cycle, the Adviser will use the most recent valuation of the investment or fund as reports by the investment sponsor. The Adviser does not use any other method for valuing illiquid investments, such as published values on auction sites or secondary markets, tender offers by third parties or the investment sponsor, or valuations as published by third party research providers. The underlying or intrinsic value of an illiquid investment may be higher or lower than its published valuation. For example, the net operating income for an investment property may have increased, causing an increase in value of the property relative to the per share price for the real estate fund. Or, vacancies may have increased in an investment property, causing it to lose value relative to the fund per share price. Given the volatility of the valuation of the underlying investments, and the difficulty in assessing a true valuation, which would be speculative in nature, the Adviser does not reconcile any differences between the fees it charges (as based on the investment sponsor's published valuation) and a potentially more accurate fee based on another method of valuation. In the event an updated valuation has not been provided by the investment sponsor, the Adviser will use the valuation from the prior billing cycle. Consequently, the Adviser may charge a fee that is higher or lower than the fair market value of the underlying investments.

For illiquid direct participation programs, fees are typically deducted from a separate non-qualified account held at a custodian in which the Adviser has permission from the client to withdraw fees. The client may also elect to pay by check.

#### *Duration / Termination*

The Client may terminate fee-based investment related services upon written notice to the Adviser delivered by certified or registered mail. The Adviser may also terminate fee-based investment related services upon written notice to the Client delivered by certified or registered mail. The effective date of termination will be the date the written request is received by the Adviser or the Client.

Termination of fee-based investment related services shall not affect any purchases of investment or insurance products made by the Client based on advice or recommendations made by the Adviser; those investments will remain subject to the terms of their respective offering memorandum or contract.

Upon termination of fee-based investment related services, the Client's funds will remain in the position they are in on the date of the termination and the Adviser shall have no further responsibilities with respect to the account(s) or positions within those account(s). The Client may not be able to liquidate or redeem illiquid investments upon termination. Additionally, some illiquid investments may not be transferable to other advisory firms.

## Provisions That Affect the Management of Liquid Securities

### *Potential Liquidity Issues*

Most investors understand managed investments to be “liquid”, which is generally defined as the ability to convert an investment into cash without penalty by selling or redeeming that investment any day in which financial markets are open. However, some investment sponsors have introduced various investment structures that do not follow this traditional definition of liquidity. For example, some open-ended no-load mutual funds may be subject to a period in which a contingent sales fee would be assessed if redeemed (commonly referred to as a “redemption fee”). These periods often range from as short as 30 days to as long as one year.

Another type of managed investment with a unique form of liquidity are Closed-Ended Interval Mutual Funds (“Interval Funds”). Shares of Interval Funds may be redeemed without a redemption fee, but the timing of redemption requests is limited. While each Interval Fund will have its own specific redemption rules, in general, redemptions are granted on a calendar quarter basis. Interval Funds also limit the total amount of redemptions per period. For example, an Interval Fund may grant redemptions up to 5% of the fund’s total assets under management. The Adviser may utilize Interval Funds within its model portfolios.

### *Other Third-Party Fees*

Investments such as mutual funds, exchange-traded funds, and other funds or investments that are managed or administered by third-parties possess additional fees and charges that are in addition to the Adviser’s fees. The additional fund-level fees may include, but are not limited to, a management fee, brokerage and custodian fees, other fund expenses, and mortality and expense risk charge or possible distribution fee. If the product imposes a sales charge, the client may pay an initial or deferred sales charge. Before investing in a fund, clients should consider the total cost of fund-level fees, our advisory fees, and any transaction-related commissions or charges.

## Investment Considerations Unique to Illiquid Investments

Illiquid investments, such as private equity (for example, Regulation D, Regulation A, etc.), public non-traded offerings (for example, S-1 offerings, Intrastate offerings, Business Development Companies (BDCs), non-traded closed-ended mutual funds, etc.), non-traded Real Estate Investment Trusts (REITs), or non-traded oil and gas programs, have unique investment considerations that an investor should be aware of, including, but not limited to:

### *Risks*

An investment in an illiquid investment must be considered speculative and there are no assurances that an investor may not lose all or a substantial portion of their investment. Investors should consider the impact a loss of their entire investment would cause and should be confident that it would not cause an adverse impact on one’s standard of living. Neither the Adviser nor its affiliates represent or guarantee that an investment in an illiquid investment will result in economic

gain.

Other investment risks inherent in illiquid investments include:

- Illiquid investments typically have high minimum investment requirements.
- The performance of illiquid investments may be affected by high internal and fund-related costs.
- Illiquid investments sometimes employ potentially speculative investment strategies.
- The overall profitability of an illiquid investment may be negatively affected by general economic risks.
- An illiquid investment may experience additional costs of operation due to changing government regulation and potential litigation.
- The General Partner/Sponsor of an illiquid investment may not be able to raise sufficient funds to complete its business plan.
- Financing is a key component of an illiquid investment. In these cases, the investment may not be able to secure attractive financing terms.
- Illiquid investments may have tax-related risks, including Unrelated Business Taxable Income (UBTI) to tax-exempt investors.

Despite the above-mentioned risks, an investor must acknowledge the impossibility of identifying every possible risk.

### *Illiquidity*

There is no public market for most illiquid investments, nor is there likely to be in the future. The ability to transfer one's investment may be subject to certain restrictions including obtaining the General Partner/Sponsor's approval and, therefore, it may not be possible for the investor to liquidate their interest, which may have to be held indefinitely as being illiquid.

If a secondary market does exist, successful programs often trade at a substantial discount. Underperforming programs will be difficult to sell at any price.

Regardless of what hardship causes the investor to need the return of capital, the investor may not have access to it for many years.

### *Valuation / Pricing / Billing*

The Adviser uses the valuation of the investment or fund as published by the investment sponsor. The Adviser does not use any other method for valuing illiquid investments, such as published values on auction sites or secondary markets, tender offers by third parties or the investment sponsor, or valuations as published by third party research providers.

Investment sponsors vary on the timeliness of their valuation reporting, ranging from daily, monthly, quarterly, or annually – some do not update the valuation its investment or fund until it has achieved a liquidity event. In all cases, the Adviser uses the valuation available on the last day of the calendar month. In the event an updated valuation has not been provided by the investment sponsor, the

Adviser will use the valuation from the prior billing cycle.

The underlying or intrinsic value of an illiquid investment may be higher or lower than its published valuation. For example, the net operating income for an investment property may have increased, causing an increase in value of the property relative to the per share price for the real estate fund. Or, vacancies may have increased in an investment property, causing it to lose value relative to the fund per share price. Given the volatility of the valuation of the underlying investments, and the difficulty in assessing a true valuation, which would be speculative in nature, the Adviser does not reconcile any differences between the fees it charges (as based on the investment sponsor's published valuation) and a potentially more accurate fee based on another method of valuation. Consequently, the Adviser may charge a fee that is higher or lower than the fair market value of the underlying investments.

### *Custody of Assets*

Because illiquid investments are often considered direct investments, an investor's funds may be transferred to the investment sponsor. In circumstances where the investor utilizes qualified funds (i.e., IRA, Roth IRA, SEP IRA, etc.), the Adviser may recommend an independent self-directed IRA custodian for tax and distribution reporting. Self-directed IRA custodians charge an array of fees, including, but not limited to: account opening fees, asset purchase fees, annual account fees, cash distribution fees, and account closing fees. The Adviser does not participate or share in any fees collected by a self-directed IRA custodian.

### *Investment Disclosures*

Before authorizing the purchase of any illiquid investment, an investor should take ample time to review thoroughly the Prospectus/Memorandum/Offering Circular and (if applicable) any Addendums. These documents will contain investment-specific disclosures, such as unique risks, tax consequences, redemption options, etc.

In making a decision to purchase an illiquid investment, an investor must acknowledge that they are not relying on: (a) any verbal or written representations; or (b) any guarantees, implied or stated; or (c) any literature, documents, charts, etc. (other than those provided by the Managing Partner/Sponsor's); that have been made or delivered by the Adviser or any of its representatives.

Any financial or performance forecasts discussed by and between the Client and a representative, affiliate or employee of the Adviser which pertain to an illiquid investment must be regarded as nothing more than hypothetical and not a guarantee of any future actual performance or returns. Past performance is never a guarantee of future results.

Once the General Partner/Sponsor has control of an investor's funds, the Adviser and its representatives have no legal standing to exert any control over what happens to an investor's investment.

## **Item 6 - Performance-Based Fees and Side-By-Side Management**

Entoro Investments will not charge a performance fee to the Entoro Gray Swan Fund. The fees charged to the Fund are set forth in the Entoro Gray Swan Fund prospectus.

Entoro Investments may charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) in accordance with Rule 205-3 of the Investment Advisers Act of 1940, as amended, to qualified clients. In general, a qualified client may include:

- a natural person or company who at the time of entering into such agreement has at least \$1 million under the management of the investment adviser;
- a natural person or company who the adviser reasonably believes at the time of entering into the contract:
  - Has a net worth of jointly with his or her spouse of more than \$2.1 million, excluding the value of the primary residence of such natural person, calculated by subtracting from the estimated fair market value of the property the amount of debt secured by the property, up to the estimated fair market value of the property; or
  - Is a qualified purchaser as defined in the Investment Company Act of 1940, §2(a)(51)(A) (15 U.S.C. 80a-2(51)(A)); or
- a natural person who at the time of entering into the contract is:
  - An executive officer, director, trustee, general partner, or person serving in similar capacity of the investment adviser; or
  - An employee of the investment adviser (other than an employee performing solely clerical, secretarial, or administrative functions with regard to the investment adviser), who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar function or duties for or on behalf of another company for at least 12 months.

Performance-based fee arrangements may create an incentive for the Entoro Investments to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. The inclusion of unrealized gains when calculating the Performance Fees may also increase the amount earned by Entoro Investments from such Performance Fee. Potential conflicts of interest may arise from the side-by-side management of these clients based on fee structures. Entoro Investments has implemented procedures designed to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Entoro Investments, its principals and their respective affiliates may serve as investment advisers or advisors to other investment funds and managed accounts in the future, certain of which may employ investment strategies that are substantially similar to the investment strategy employed by Entoro Investments. This creates the potential risk of conflicts of interest because Entoro Investments may favor one type of investor over another in the allocation of investment opportunities, particularly where differing fee structures for each investor have been negotiated. An additional risk potentially exists, because Entoro Investments' affiliates and their employees

have the right to invest in investment products and/or individually in digital asset products. As an emerging asset class, the market price and availability of digital asset are subject to high volatility and any market order placed affects both market price and availability.

Entoro Investments' fiduciary obligations require it to place client interests over its own interests, treat all clients equitably and disclose material facts to all of its investors. To help mitigate potential conflicts, Entoro Investments has implemented policies and procedures designed to monitor such risks on an ongoing basis.

### **Item 7 - Types of Clients**

Entoro Investments provides advisory services to individuals, high net worth individuals, businesses, corporate pension and profit-sharing plans, trusts and estates, charitable institutions, foundations, and endowments.

Fees and account sizes are subject to negotiation. We do not impose a strict asset minimum to open an account with us; however, it may be impractical for clients with less than \$25,000 under management. In addition, Entoro Investments reserve the right to refuse to accept proposed management responsibilities or to resign from the management of any individual account.

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

#### **Investment Strategies**

The composition of an investment portfolio is dependent upon the investment goals of each client. Without limiting the types of securities, a client's portfolio may be comprised of one or more of the following security types:

- Equity securities
- Commodities and Commodities
- Futures Exchange-listed securities
- Over-the-counter securities
- Corporate debt
- Interests in partnerships invests in real estate, oil and gas interests
- Private Placements
- Digital currencies and digital currency derivative assets
- U.S. Treasuries and other governmental obligations

Entoro Investments is dedicated to providing a high level of service to its clients, both directly and through the funds which it advises. Entoro Investments believe that its portfolio managers are well qualified to assess individual client needs and create client portfolios to address those needs.

Entoro Investments employs various methods of security analysis, including fundamental and technical analysis, to assist it in formulating investment strategies. It believes that investment



portfolios should be custom managed to meet the specific investment goals, risk tolerances, and other constraints that are unique to each of its clients.

The following describes risks that are inherent in securities investments, and which may result in a loss to client portfolios:

**Equity securities, exchange-listed securities and over the counter securities:** While "long" securities may outperform other types of investments at certain times, individual stock prices may go up and down more dramatically. A slower-growth or recessionary economic environment could have an adverse effect on the price of "long" securities. Entoro Investments also expects to invest in "inverse" securities – securities that increase in value in a down or recessionary market. Those securities tend to lose value in rising equity markets.

### **Commodities and Futures**

Entoro Investments expects to invest its client's assets in bitcoin futures ("BTC Futures). Futures, and BTC Futures in particular, carry specific risks. Those risks are described in detail in the Entoro Gray Swan Fund Prospectus, and are detailed to clients who elect to invest in such securities.

**Corporate debt:** Risks include interest rate fluctuation, liquidity and timing of redemption.

**Interests in partnerships investing in real estate, oil and gas interests:** Subject to risks affecting real estate investments generally (including management performance, market conditions, competition, property obsolescence, changes in interest rates and casualty to real estate).

**Private Placements:** Risks include general economic conditions, management performance, environmental risks and associated costs, legal and regulatory requirements and compliance with applicable laws. Seasonality of the business and inability to predict cash flow.

**Lack of Diversification:** Portfolio investments can be concentrated, and diversification can be limited. There are no limits with respect to position sizes. Any assets or combination of assets that can be held in a securities account can be purchased or sold.

**Cash and Cash Equivalents:** A client accounts generally maintain significant cash positions from time-to-time. Clients will pay the Investment Management Fee based upon the net asset value of the Account, including cash and cash equivalents. The Account can also forego investment opportunities to hold cash positions if Entoro Investments considers it in the best interests of the Accounts.

**Interest Rate Fluctuation:** The prices of securities in which Entoro Investments invests are sensitive to interest rate fluctuations. Unexpected fluctuations in interest rates could cause the corresponding prices of the long and inverse (short) portions of a position to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs of borrowed securities and leveraged investments.

Before trading in any security, investors should carefully read the most up-to-date prospectuses/listing documents, financial statements, announcements and other information published.

As financial markets and products evolve, Entoro Investments invests in other instruments or securities, whether currently existing or developed in the future, when consistent with client guidelines, objectives and policies.

## **Risk of Loss**

Clients are advised that investing in securities involves the risk of loss of the entire principal amount invested including any gains. Clients face numerous investment risks including, but are limited to:

- **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Call Risk:** Risk that your bond investments will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.
- **Default Risk:** The risk that the bond issuer may not be able to pay you the contractual interest or principal on the bond in a timely manner or at all.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Legislative Risk:** Some Special Circumstance Direct Participation Investments (SCDPIs)

are based on Section 1031 of the Internal Revenue Code. Section 1031 governs like-kind exchanges and provides favorable tax treatment for assets held, depreciated, exchanged, and eventually passed on at death as part of an estate. Legislative changes or restrictions to Section 1031 could materially change the effectiveness or value of investment strategies designed to operate under this section.

- Audit Risk: Conservation Easements are a form of SCDPI that is classified as a “listed transaction” with the Internal Revenue Service, per Listing Notice 2017-10. Section 1.6011-4(d) of the Treasury Regulations requires taxpayers who invest in Conservation Easements to disclose such transactions. Taxpayers who fail to disclose their listed transactions may be subject to penalties under section 6707 of the Internal Revenue Code. Additionally, the IRS has a history of auditing and litigating tax deductions resulting from Conservation Easements. A successful challenge by the IRS could result in disallowance of a portion (or even all) of the deduction. In such a case, taxpayers could owe additional tax and interest and may incur valuation misstatement penalties. While the listing notice does not invalidate Conservation Easement transactions or prohibit investors from participating, it expressly states the IRS’ intention to carefully evaluate the tax benefits investors receive based on the valuation of an easement. Due diligence on such programs is particularly important because of the increased scrutiny following this listing notice.

Any of the above risks may lead to a loss on investments. Clients should not invest unless they are able to bear these risks.

Even hedging strategies may fail if markets move against the hedged investments. In addition, investing carries with it opportunity risk; it is impossible to accurately predict the sectors of the market or asset classes that will have more favorable returns for a given period.

The use of margin involves the assumption of certain risks, including but not limited to:

- You may lose more than the principal invested as your risk includes the amount you invest plus the amount that has been loaned to you.
- The custodian may force the sale of the securities in your account if the equity in your account falls below the margin requirements.
- You may not be entitled to select which securities will be sold to meet margin requirements.
- Margin requirements may be changed by the custodian without notice.
- Short sales, or selling a security that is not commonly owned, carries the risk of potentially unlimited loss. The strategy assumes the price of a stock will decline so that the shares may be purchased at a lower price when delivered. But, there can be no guarantee the prices of the security will decline.
- Options are considered speculative. Utilizing options in an account involves the assumption of certain risks, included, but not limited to:
  - Options can be highly volatile in price.
  - Writing options on uncovered positions may expose you to unlimited loss.
  - Options have an expiration date. It may be possible to determine the opportune time to exercise an option, which impacts the amount of potential profit or loss.

## **Item 9 - Disciplinary Information**

Neither Entoro Investments nor members of its management have ever been the subject to any legal or disciplinary event that would be material to a client's or a prospective client's evaluation of its business or the integrity of its management.

## **Item 10 - Other Financial Industry Activities and Affiliations**

### ***Entoro Securities, LLC - Affiliated Broker-Dealer***

James C. Row is an owner and registered representative of Entoro Securities, LLC ("Entoro Securities"). Entoro Securities is registered as a broker-dealer with the Securities and Exchange Commission ("SEC") and various state jurisdictions, and a member firm of the Financial Industry Regulatory Authority ("FINRA"). Entoro Securities is affiliated to Entoro Investments through common ownership and control.

As a result of these broker-dealer activities, there is a conflict of interest in that there is an incentive for James C. Row to recommend those securities which generate commissions for James C. Row and Entoro Securities. Notwithstanding such conflict of interest, Entoro Investments addresses its fiduciary duty by maintaining oversight of James C. Row's securities activities and certain outside business activities. Such oversight includes the review of James C. Row's securities business to ensure he considers his advisory client's best interests.

In addition, James C. Row has the following business activities:

- CEO of Producers Energy, LLC; this is not investment related; dormant oil & gas operating company, time spent is 0 hours on this activity.
- Partner of Dynaforce Energy; this is not investment related; dormant acquisition vehicle for solar assets, time spent is 0 hours on this activity
- Member of Roca Energia; this is not investment related; consulting activities for technology services; time spent is 0 hours on this activity.
- Managing Partner of Entoro, LLC, this is not investment related; holding company for multiple Entoro Entities; time spent on this is 2 hours per week.
- Managing Partner of Entoro Capital, LLC; this is not investment related; holding company for multiple Entoro Entities; time spent is 2 hours per week on this activity.
- Managing Director of Entoro International, LLC; this is not investment related; consulting and advisory for non- us energy projects; time spent is 0 hours on this activity.
- Managing Member of Offerboard, LLC; this is not investment related; web technology platform; time spent is 5 hours per week on this activity.
- Partner of Medcap Investments, LLC; this is not investment related; healthcare consulting, time spent is 0 hours on this activity.
- Managing Member of Entoro Xchange; this is not investment related; 0 hours on this activity.
- Member of Family Office Network (FON), this is not investment related; time spent on this is 2 hours per week. Director and on the board of advisors for EN Partners; this is not investment related; time spent is 1 hour per week on this activity.

- Minority equity owner of Vertical Associates, LLC; this is not investment related; time spent on this is 15 minutes per week.
- Portfolio Manager of the Entoro Gray Swan Fund, Investment related, time spent is 2 hours per week on this activity.

As stated above, there is a conflict of interest as Mr. Row may earn compensation by the companies listed above. Notwithstanding such conflict of interest, Entoro Investments addresses its fiduciary duty by disclosing to clients and by maintaining oversight of James C. Row's securities activities and certain outside business activities.

### **Item 11 - Code of Ethics**

Entoro Investments and its related persons may recommend or purchase on behalf of clients, securities or investment products which Entoro Investments and/or its related persons also invest. Entoro Investments' personal trading policy precludes it and its related persons from purchasing securities that it recommends or purchases on behalf of its clients if it would be prohibited under federal securities laws and requires Entoro Investments to maintain a written record of such transactions.

Entoro Investments is required to maintain records of all transactions for all of its client's accounts. It also maintains a record of all transactions made for the accounts of its access persons as described in Entoro Investments' personal trading policy. It is Entoro Investments' policy that no employee transaction will be placed in advance of a client's transaction and shall not be on a more favorable basis than a client's transaction.

Entoro Investments has adopted a Code of Ethics which applies to all of its access persons. A copy of the Entoro Investments Code of Ethics is available to any client or prospective client upon request. The Code of Ethics provides that access persons must comply with all applicable federal securities laws and imposes certain trading restrictions on persons who are likely to know about Entoro Investments' trading activity. Entoro Investments has trading preclearance procedures in place to avoid conflicts of interest related to common ownership of securities by its clients and its access persons. These preclearance procedures include prohibitions on the purchase or sale of most securities on the same day as those same securities may be purchased or sold by any client unless the purchase or sale is aggregated with client trades.

Cross Trades: Entoro Investments may occasionally conduct cross trades for client accounts. A cross trade occurs when Entoro Investments purchases and sells a particular security between two or more accounts under its management. Entoro Investments utilizes cross trades when it deems the practice to be advantageous for each participant. Entoro Investments has a conflict of interest when effecting a cross trade because it must consider the interests of both the selling account and the buying account in the same transaction. This conflict of interest may be greater in situations where one of the clients involved in the transaction pays Entoro Investments a higher management fee or a performance-based fee. Additionally, clients might have received a more favorable price if the transaction were executed in the open market rather than having the security bought or sold through a cross trade.

To address these concerns, Entoro Investments' procedures require that cross trades be effected

at the independent current market price of the security as determined by reference to independent third-party sources. Under Entoro Investments' policy, cross trades are not permitted in accounts that are subject to the Employee Retirement Income Security Act ("ERISA"). Entoro Investments does not receive brokerage commissions when conducting cross trades for client accounts. Entoro Investments will seek to ensure that the terms of the transactions, including the consideration to be paid or received, are fair and reasonable, and the transactions are executed in a manner that is in the best interest of the clients involved in the cross trade.

## **Item 12 - Brokerage Practices**

Entoro Investments considers numerous factors in determining the brokers through which it executes securities transactions on behalf of its clients, including best price and execution, the size of the transaction, and the commission budget. Entoro Investments expects not to pay any commissions that would surpass generally accepted commission schedules. Entoro Investments will allocate brokerage transactions in a manner it believes to be fair and responsible, and consistent with its objectives.

Entoro Investments will select such brokers that can effect transactions at the best price and execution under the prevailing circumstances; however, clients may require that it place their orders for the execution of transactions with or through a broker/dealer that it otherwise would not have deemed to provide best execution. Dually registered representatives affiliated with Entoro Investments will receive commissions when portfolio transactions are affected on behalf of a client. -A registered representative can charge an advisory fee and a ticket charge and can receive a portion of the distribution and Rule 12b-1 fees that are utilized by advisory clients. In managing investment portfolios, Entoro Investments will act in a manner consistent with what it understands and believes to be the best interests of the client.

### **Allocation of Investment Opportunities and Orders**

Entoro Investments strives to treat all clients in a fair and equitable manner in all dealings, including trade related activities. When orders are generated, the decision on which accounts should participate, and in what amount, is based on the type of security or other asset, the present or desired structure of the various portfolios and the nature of the account's goals. Other factors include risk tolerance, tax status, permitted investment techniques and, for fixed-income accounts, the size of the account and settlement and other practical considerations.

In an effort to achieve best execution, Entoro Investments considers the following factors in selecting brokers:

- Execution capability
- Order size and market depth
- Availability of competing markets
- Trading characteristics of the security
- Availability of accurate information comparing markets
- Quantity and quality of research received from the broker dealer
- Financial responsibility of the broker-dealer

- Confidentiality
- Responsiveness
- Ability and willingness to commit capital
- Availability of accurate information comparing markets
- The technology to process such data
- Other factors that may bear on the overall evaluation of best price and execution
- In addition, Entoro Investments periodically reviews its transaction costs in light of current market circumstances, available published statistical analysis as well as other relevant information.

### **Research Services/Soft Dollars**

Entoro Investments does not participate in any soft dollar arrangements.

### **Trading Aggregation Practices**

When Entoro Investments trades the same security in more than one client account, it generally attempts to batch or "bunch" the trades in order to create a "block transaction." Generally, buying and selling in blocks helps create trading efficiencies, prompt attention and desired price execution. Whenever possible, Entoro Investments will attempt to batch or aggregate trades for clients who use the same directed brokers in order to create a "block transaction."

The commission amount and per share commission rate will differ between clients with directed brokerage relationships due to the dollar value and the size (number of shares) of the trade for each account, and the total relationship between the client and their broker. Because each client differs in portfolio size, investment objective, equity exposure and the extent of the relationship with their broker, Entoro Investments does not negotiate commission discounts on the block transaction itself.

### **Directed Brokerage**

If requested by the client, Entoro Investments can place all or a portion of the transactions with a broker with whom the client has a special advisory or consulting relationship. Such transactions are placed with a broker who may have provided manager selection services, performance measurement services, asset allocation services, or a variety of other consulting or monitoring assistance, all with the specific knowledge and full approval of the client.

Entoro Investments does not maintain agreements with referring brokers regarding its internal allocation of brokerage transactions. However, all or a sizable portion of a particular clients' brokerage transaction business may be directed to a particular broker if the client has directed, agreed or stipulated Entoro Investments to do so. Commissions are not intended to compensate brokers for client referrals.

Entoro Investments is unable to negotiate commissions, block or batch client orders or otherwise achieve the benefits described above, including best execution, if a client limits its brokerage discretion. Directed brokerage commission rates can be higher than the rates Entoro Investments

might pay for transactions in non-directed accounts. Also, clients that restrict Entoro Investments' brokerage discretion can be disadvantaged in obtaining allocations of new issues of securities that it purchases or recommends for purchase in other clients' accounts. It is Entoro Investments' policy that such accounts not participate in allocations of new issues of securities obtained through brokers and dealers other than those designated by the client. As a general rule, Entoro Investments encourages each client to compare the possible costs or disadvantages of directed brokerage against the value of the custodial or other services provided by the broker to the client in exchange for the directed broker designation.

### **Other Fees in Connection with Trading**

In Entoro Investments' efforts to achieve best execution of portfolio transactions, it trades securities for client accounts by utilizing electronic marketplaces or trading platforms. Some of these electronic systems may impose additional service fees or commissions. Entoro Investments pays these fees directly to the provider of the service or these fees are included in the execution price of a security. Entoro Investments' intention is that it will only use such systems and incur such fees if it believes that doing so helps to achieve the best execution of the applicable transaction, taking into account all relevant factors under the circumstances. For example, Entoro Investments will consider the speed of the transaction, the price of the security, its ability to block the transaction and other factors in connection with trading of stocks and bonds.

### **Accounts with Different Investment Objectives**

It is possible that Entoro Investments will manage accounts of clients whose investment objectives are substantially different from one another. As a result, it is possible that it would be appropriate for Entoro Investments to sell a security "short" from one account while holding it "long" in another account. This will occur if it manages an account that involves significant short-term trading or pursues unique options strategies. In general, however, Entoro Investments' positions with regard to any security will be net long. It seeks to avoid a conflict of interest by attempting to limit such situations to, for example, an instance in which there is a readily available supply of the securities being purchased or sold and the transactions in a security do not affect its market price.

### **Item 13 - Review of Accounts**

Investment Advisers of Entoro Investments perform reviews of all investment advisory accounts at least annually. Associates review accounts for consistency with the investment strategy and performance chosen by clients (among other things). More frequent reviews may be triggered by material market, economic or political events, or by changes in a client's individual circumstances. Macroeconomic and company specific events may also trigger reviews.

Financial planning and consulting accounts will be reviewed as contracted for by each client. Financial plans are reviewed only upon request unless the Adviser is retained to update plans on a continuous basis.

There is currently no limit on the number of accounts that can be reviewed by an associated person.



Brokerage statements are generated no less than quarterly and the account custodian sends copies directly to clients. These reports list the account positions, activity in the account over the covered period and other related information. The custodian also sends confirmations following each brokerage account transaction unless confirmations have been waived.

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

Entoro Investments does not participate in client referrals.

From time-to-time, Entoro Investments may enter into placement agent agreements with broker-dealers to introduce potential investors to the funds it advises or for the creation of a managed account. All such arrangements will fully comply with the requirements of Rule 206(4)-3 of the Advisers Act and related SEC staff interpretations.

When providing investment advisory services to clients, Entoro Investments does not differentiate among clients based on how or from what source any investor became a client in the funds that it advises or establishes a managed account. Thus, no conflicts of interest arise as a result of any such arrangements.

#### **Item 15 - Custody**

Entoro Investments will not have physical custody of client assets for its advisory clients, however, since it will have the ability to debit advisory fees from clients' accounts, it will be deemed to have custody of the assets in such accounts. Each client must select a custodian and will be required to pay custodian fees to such custodian. Also, clients will incur brokerage and other transaction costs in the course of Entoro Investments' management of their accounts. Clients will receive account statements from one or more qualified custodians covering the funds and securities in their account(s).

In fulfilling its responsibilities under the Custody Rule, Entoro Investments' qualified custodian(s) send account statements, on at least a quarterly basis, to the fund investors and managed accounts. Alternatively, Entoro Investments may rely on the "Annual Audit Exception" of the Advisers Act to meet its obligations to its investors (or beneficial owners) with respect to the Custody Rule. In the latter scenario, Entoro Investments would obtain an audited financial statement annually, conducted by an independent accounting firm registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board and prepared in accordance with GAAP. Thereafter, Entoro Investments would deliver the audited financial statement to each fund's underlying investors (or beneficial owners) and managed accounts within one hundred twenty (120) days of that fund's fiscal year-end, or annually for each managed account.

Entoro Investments encourages all clients to review these statements carefully and compare such official custodial records to the account statements that it may provide. Entoro Investments' statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 16 - Investment Discretion**

Entoro Investments' offering documents and client engagement letters provide it with discretionary authority at the outset of the advisory relationship. In all cases, Entoro Investments' exercise of discretion comports with the investment guidelines and restrictions stated in those offering and engagement documents. Entoro Investments has full discretion to select the identity and amount of securities to be bought or sold. If any particular client seeks to impose investment guidelines and/or restrictions, those instructions must be provided to Entoro Investments in writing prior to that client's engagement.

For investment companies that it advises, Entoro Investments' authority to trade securities can also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Any client investment guidelines and restrictions must be provided in writing.

Entoro Investments maintains a limited Power of Attorney for all discretionary accounts for directing and or effecting investments on behalf of the managed accounts, for the direct payment of fees and or the payment of commissions, custodial fees and or other charges incurred by the managed accounts.

### **Wrap Account Management**

Entoro Investments does not participate in the management of wrap account programs.

### **Item 17 - Voting Client Securities**

Entoro Investments' offering and engagement documents set forth the issues on which investors in the funds or in managed accounts may vote, or vote through duly executed, written proxies. Where Entoro Investments has discretion to vote, it will vote its proxy, to the extent that it is able to form an opinion, in what it deems to be the best interest of the client.

### **Item 18 - Financial Information**

Entoro Investments has no financial commitments that impair its ability to meet contractual and fiduciary commitments to its clients, and it has not been the subject of a bankruptcy proceeding.