

Part 2A of Form ADV

Item 1 – Cover Page

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This Brochure provides information about the qualifications and business practices of André Luiz Ferreira da Costa - Sole Proprietor. If you have any questions about the contents of this Brochure, please contact us at +55(62) 9 9244-2315. 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.

André Luiz Ferreira da Costa - Sole Proprietor is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information on the basis of which you determine to hire or retain the investment adviser.

Additional information about André Luiz Ferreira da Costa - Sole Proprietor also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

André Luiz Ferreira da Costa's ("The Advisor") previous brochure ("Part 2A") was filled in June 20, 2019. The Advisor has now updated and revised certain disclosures relating to its business operations, particularly in the following area:

- Part 2B of Form ADV

Current Brochure may be requested by contacting André L F Costa, The Sole Proprietor, at +55(62) 9 9244-2315, or [andre@quixnet.com.br](mailto:andre@quixnet.com.br).

Additional information about André Luiz Ferreira da Costa – The Sole Proprietor is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with André Luiz Ferreira da Costa – The Sole Proprietor who are registered, or are required to be registered, as investment adviser representatives of André Luiz Ferreira da Costa - Sole Proprietor

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#### **Item 4 – Advisory Services**

André Luiz Ferreira da Costa - Sole Proprietor (“The Advisor”) is a newly-formed SEC-registered investment adviser. The Advisor became a registered investment adviser and commenced active business operations in 2017. The Advisor is organized as a Sole Proprietorship owned by Mr. André Luiz Ferreira da Costa who also serves as The Advisor’s designated principal.

The Advisor provides investment advisory services to a variety of alternative investment vehicles, including, but not limited to, separately managed accounts (“SMAs”) and commingled investment vehicles that would be investment companies as defined in the Investment Company Act of 1940, as amended (the “Investment Company Act”), but for section 3(c)(1) or 3(c)(7) thereof (collectively, “Private Funds”). Investment services to clients may be provided on a discretionary or non-discretionary basis. The types of clients to which each Adviser provides investment management services are disclosed in the Advisers’ Form ADV Part 1 and summarized in Item 7 (“Types of Clients”) of this Brochure.

The Advisor generally provides investment management services in accordance with applicable investment guidelines and restrictions, including applicable restrictions on investing in certain securities, or types of securities or other financial instruments, that are developed in consultation with the client. Pooled investment vehicle managed or otherwise advised by the Advisor is managed in accordance with its investment guidelines and restrictions and generally is not tailored to the individualized needs of any particular fund shareholder or fund investor, and an investment in such a vehicle does not, in and of itself, create an advisory relationship between the shareholder or investor and The Advisor. The Advisor may use both automated and/or manual processes to manage portfolios in accordance with their stated portfolio investment guidelines and restrictions.

The current primary focus of The Advisor is to manage assets through SMAs with mandates that focus on alternative investment strategies and invest in debt and equity instruments relating to the infrastructure sector, including energy, aviation assets and natural resources industries. The Advisor may also provide investment advisory services to a variety of alternative investment vehicles for accredited investors, qualified purchasers, trusts, U.S. and international business organizations, private funds and institutional clients with mandates that focus on hedge funds and managed futures (CTAs), commodities, real assets and structured products for investment or hedging purposes. The Advisor trading approach includes a broad range of strategies, including, without limitation, distressed securities, hedge/arbitrage positions (including event arbitrage, related securities arbitrage, convertible arbitrage, volatility arbitrage, commodities trading, and fixed income arbitrage), equity-oriented positions, private equity and private credit positions, currency trading, basis trading, portfolio volatility

protection positions, parametric approaches, and real estate-related securities positions. The Advisor generally advises in a wide variety of exchanged traded and OTC financial instruments, including, without limitation, bonds, cat bonds, swaps, options, futures, forwards, swaptions, private equity, structured credit products, ILS and climate derivatives.

The Advisor may use the services of one or more third party service provider or appropriate personnel for investment advice, portfolio execution and trading, operational support, and client servicing in their local or regional markets or their areas of special expertise without specific consent by the client, except to the extent explicitly restricted by the client in or pursuant to its investment management agreement (“IMA”), or inconsistent with applicable law. Arrangements may take a variety of forms, including but not limited to dual employee, delegation, participating affiliate, sub-advisory, sub-agency, or other servicing agreements. This practice is designed to make The Advisor’s global capabilities available to The Advisor’s clients in as seamless a manner as practical within a varying global regulatory framework. In these circumstances, The Advisor remains fully responsible for the account from a legal and contractual perspective. No additional fees are charged for these services except as set forth in the IMA.

The Advisor does not offer custody services to its clients.

A PROSPECTIVE INVESTOR SHOULD NOT CONSTRUE THE CONTENTS OF THIS DISCLOSURE DOCUMENT AS TAX OR LEGAL ADVICE. THIS DISCLOSURE DOCUMENT SHOULD BE REVIEWED BY THE PROSPECTIVE INVESTOR AND ITS TAX, ACCOUNTING, LEGAL AND OTHER ADVISERS.

## **Item 5 – Fees and Compensation**

### **ADVISORY FEES**

An Adviser’s fees generally depend on the services being provided. For investment management services, fees typically are expressed as a percentage of the assets under management. Fee arrangements vary by client, and are based on a number of different factors, including investment mandate, services performed, and account/relationship size. To the extent permitted under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), The Advisor negotiates and charges performance fees or special allocations, as well as asset-based fees. In addition, fees and allocations are often fixed, fixed plus performance, or performance only. Certain fixed fees are required to be paid up front. For an additional discussion of performance-based fees and allocations, please refer to Item 6 (“Performance-Based Fees and Side-by-Side Management”) of this Brochure.

**TIMING AND PAYMENT OF ADVISORY FEES****Private Funds**

The Advisor may manage or advise Private Funds. Private Funds managed or advised by The Advisor (“Advisor Private Funds”), the applicable fees and expenses are set forth in the Advisor Private Fund’s IMA, subscription agreement and/or other governing documents, or the Advisor Private Fund’s Offering Memorandum (together with any supplements thereto, the “OM”), if the Advisor Private Fund has issued an OM. Asset-based fees generally are paid monthly, quarterly or semi-annually, and are generally calculated on the value of the account’s net assets or, in the case of certain closed-end funds and Advisor Private Funds, committed capital, invested capital or, if applicable, the vehicle’s loan capital. Without limiting the generality of the foregoing, as compensation for investment advisory services currently rendered to an Advisor Private Fund, each Advisor Private Fund typically is charged an annual management fee, payable quarterly in advance. The management fees during the commitment period of such Advisor Private Fund generally are based on aggregate capital commitments of the limited partners and are asset-based thereafter, although in certain Advisor Private Funds, management fees are charged on a blended basis based on committed and invested capital. The management fees are negotiated collectively with the limited partners of each The Advisor Private Fund. The management fees during the commitment period typically range from 1% to 2%. Management fees are paid by the Advisor Private Fund on behalf of the limited partners by (i) requiring limited partners to make capital contributions in respect of such fees, or (ii) withholding the amount of such fees from investment proceeds that would otherwise be distributable to the limited partners of such Advisor Private Fund. In some situations, The Advisor may cause an Advisor Private Fund to incur indebtedness for the payment of management fees. Upon termination of a relevant advisory agreement, management fees that have been prepaid are returned on a prorated basis. Performance fees or other performance-based compensation generally will be based on exceeding specified yield or total return benchmarks or “hurdles” and generally are payable: (i) on a quarterly or annual basis; (ii) at the time of withdrawal or redemption with respect to the amount withdrawn; and/or (iii) as redeemed or as investments are realized and/or capital is distributed. Clawback or deferral provisions also apply to performance fees paid with respect to certain Advisor Private Funds. Without limiting the generality of the foregoing, the general partners of the Advisor Private Funds are also currently entitled to receive carried interest of up to 20% of profits on distributions derived from the disposition of investments (and, in certain circumstances, other income from investments) following a preferred return to the limited partners as set forth in each Advisor Private Fund’s OM, where applicable, and other governing documents.

**Separately Managed Accounts and other Alternative Investment Vehicles**

Fees for advising and/or managing an SMA and/or other Alternative Investment Vehicles are determined through negotiation with each client and are set forth in The Advisor’s IMA with the client.

## OTHER FEES AND EXPENSES

In addition to the fees described above, clients bear certain other costs associated with investments or accounts including but not limited to: (i) custodial charges, brokerage fees, commissions and related costs; (ii) interest expenses; (iii) taxes, duties and other governmental charges; (iv) transfer and registration fees or similar expenses; (v) costs associated with foreign exchange transactions; (vi) other portfolio expenses; (vii) costs, expenses and fees (including investment advisory and other fees charged by the investment advisers of funds in which the client's account invest) associated with products or services that are necessary or incidental to such investments or accounts and (viii) to the extent negotiated in the IMA, certain of the expenses described in the next paragraph. With respect to certain of the services described in clause (vii), which include, but are not limited to, custodial, securities lending, brokerage, futures, banking, consulting or third-party advisory or legal services, each client may be required to establish business relationships with relevant service providers or other counterparties based on the client's own credit standing. The Advisor will not have any obligation to allow its credit to be used in connection with the establishment of such relationships, nor is it expected that such service providers or counterparties will consider or rely on The Advisor's credit in evaluating the client's creditworthiness.

Advisor Private Funds also generally bear their own organizational, operating and other expenses including, but not limited to, in addition to those listed above: (i) sales expenses; (ii) legal expenses (which includes expenses incurred in connection with The Advisor Private Fund's legal and regulatory compliance with U.S. and non-U.S. laws and regulations (including reporting on and compliance with Form PF), and expenses incurred in connection with complying with provisions in side letter agreements, including "most favored nations" provisions); (iii) internal and external accounting, audit, custody, administration and tax preparation expenses ; (iv) the out-of-pocket costs of any litigation; (v) insurance including costs of any D&O liability or other insurance and indemnification (including advances) or extraordinary expense or liability relating to the affairs of Advisor Private Funds; (vi) placement compensation payable to any placement agent (including any out-of-pocket expenses of such placement agent and any indemnification expenses payable to such placement agent); (vii) expenses of the limited partner advisory boards for certain Advisor Private Funds and meetings of the limited partners; (viii) expenses of liquidating and dissolving the Advisor Private Funds, including any fees and expenses of the Advisor Private Funds' liquidator; (ix) certain travel expenses; (x) other services provider expenses (e.g., expenses related to directors of an Advisor Private Fund); (xi) all expenses incurred in connection with an Advisor Private Fund's business, affairs and operations, including identifying, structuring, managing, evaluating, trading, conducting due diligence on, investing in, acquiring, holding, disposition of (including the transfer or sale of), any portfolio investments or prospective investments (whether or not consummated), including "broken-deal expenses," legal, accounting, engineering and other professional fees, fees of finders or sourcing partners, and travel and lodging expenses; (xii) all expenses incurred in connection with the securing of financing, including expenses related to the negotiation and documentation of agreements with one or more lenders or the posting of collateral; (xiii) all principal and interest on, and fees, costs and expenses arising out of, all borrowings and guarantees made by, and other indebtedness of, the Advisor Private Funds; (xiv) all

extraordinary expenses or liabilities; (xv) all professional fees incurred in connection with the business or management of the Advisor Private Funds, including reasonable dues for professional organizations related to the investment strategy of the Advisor Private Funds; (xvi) all expenses relating to the potential transfer or actual transfer of investors' interests in the Advisor Private Funds (to the extent not paid by the transferor or transferee); (xvii) all expenses relating to any letter agreements, distribution agreements and other similar agreements with investors and prospective investors and modifications and amendments to such agreements; (xviii) all expenses incurred in connection with any restructuring or amendments or supplements to the OM, to the constituent documents of the Advisor Private Funds, and corresponding restructuring or amendments to the constituent documents of the general partner and related entities; (xix) all expenses incurred in connection with the formation of alternative investment vehicles and special purpose vehicles and subsidiaries of the Advisor Private Funds; (xx) any amounts paid by the Advisor Private Funds or alternative investment vehicles for any hedging transactions (including any amounts necessary to satisfy margin requirements) or permitted borrowing requirements; (xxi) all expenses incurred in connection with multimedia, analytical, database, news or other third party research services and related terminals for the delivery of such services; (xxii) all fees charged by third parties for sourcing and/or managing portfolio investments, including fees paid to administrators of portfolio investments; (xxiii) all third party fees and expenses charged to the Advisor Private Funds, including in connection with tax and legal advice, custodial services and compliance services; (xxiv) all fees charged, and reasonable out-of-pocket expenses incurred, by the Advisor Private Funds' administrators and custodians; (xxv) management fees; and (xxvi) any value added tax payable in respect of any expenses, fees or costs set forth in clauses (i) – (xxv) above. Generally, feeder funds bear a pro rata share of the expenses associated with the related master fund. Accounts or Advisor Private Funds that invest with an underlying manager or in underlying funds generally bear associated fees (which typically include both asset based and performance based fees) and expenses of such underlying managers and/or underlying funds. Investors and clients bear the cost of investments in funds, which can include affiliated funds and exchange traded funds ("ETFs"). Further details on expenses that are charged are in the relevant OM and/or other governing documents.

## **OFFSET FEES**

With respect to certain Advisor Private Funds and SMAs, The Advisor or one of its employees at times may receive commitment fees, break-up fees, directors' fees, consulting fees, transaction fees, stock options or other equity awards, advisory fees, closing fees and other similar fees from a portfolio investment of such Advisor Private Fund and SMA, respectively, as well as placement or other similar fees payable to a broker-dealer ("Offset Fees"). The management fee received by The Advisor paid by an Advisor Private Fund or SMA is often reduced by the amount of Offset Fees received by The Advisor. The extent to which Offset Fees reduce the management fee of an Advisor Private Fund or SMA is set forth in such Advisor Private Fund's OM and/or governing documents or the IMA governing the SMA, respectively. For an additional discussion of brokerage and other transaction costs, please refer to Item 12 ("Brokerage Practices") of this Brochure.



## **CO-INVESTMENT VEHICLES**

The Advisor may from time to time offer certain persons the opportunity to co-invest in particular investments alongside of a Private Fund, subject to certain restrictions. In each case where co-investors participate in an investment, the Advisor will allocate expenses associated with such investment, including broken-deal expenses, among such co-investors and other participants in the investment in accordance with The Advisor's expense allocation policies and procedures.

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

As discussed in Item 5 (“Fees and Compensation”) of this Brochure, fee arrangements vary by client, and are based on a number of different factors. Clients should be aware that when The Advisor receives performance based fees or allocations or The Advisor's personnel have any other financial incentive to achieve gains in excess of the disincentive to suffer losses, The Advisor and/or such personnel have an incentive to choose investments that are riskier or more speculative than might otherwise be chosen. In addition, the Advisor manage different types of accounts having different fee arrangements. Side-by-side management by The Advisor of accounts raises potential conflicts of interest. For example, in certain cases, The Advisor or its related persons have a financial interest in a Private Fund, and certain clients may be subject to performance fees or allocations while others are not or are charged higher, lower or otherwise different performance fees or allocations. The Advisor may have an incentive to favor certain accounts over others that are less lucrative where: (i) the actions taken on behalf of one account potentially impact other similar or different accounts (e.g., because such accounts have the same or similar investment styles or otherwise compete for investment opportunities, have potentially conflicting investments or investment styles, or have differing abilities to engage in short sales and economically similar transactions); and (ii) The Advisor and its personnel have differential interests in such accounts (i.e., expose the Advisor or its related persons to differing potential for gain or loss through differential ownership interests or compensation structures – including circumstances where some accounts pay only asset-based fees while others are subject to performance or incentive fees or allocations). To help mitigate such potential conflicts of interest, The Advisor's policies and procedures stress that investment decisions are to be made in accordance with the fiduciary duties owed to each such account/client and without consideration of The Advisor's or its personnel's pecuniary, investment or other financial interests. As a result of certain regulations governing the ability of accounts investing side-by-side, it is possible that different account types are not permitted to participate in an investment opportunity at the same time. The decision as to which accounts participate will take into account the suitability and the strategy of the applicable accounts. It is possible that an account is prevented from participating due to such investment opportunity being more appropriate within the primary strategy of another account.

## **Item 7 – Types of Clients**

As discussed in Item 4 (“Advisory Services”) of this Brochure, the Advisor’s investment management and advisory services are offered to a variety of clients and include, without limitation, financial institutions, private funds, real estate investment trusts, profit sharing plans, pension funds and other retirement accounts, charitable and endowment organizations, banks, estates and trusts, and other institutional type accounts (both taxable and tax-exempt), corporations, non-U.S. pension funds, as well as high net worth and other individuals. The Advisor can advise both U.S. and non-U.S. clients subject to applicable law.

The Advisor may seek to obtain, verify, and record information that identifies each of its SMA clients and each person who invests in an Advisor Private Fund, in order to help the U.S. Government fight the funding of terrorism and money laundering activities. The Advisor will also screen clients against appropriate sanctions lists administered by the U.S. Office of Foreign Assets Control, the European Union and the United Nations, including any other applicable regimes where The Advisor may operate in the future.

The Advisor typically provides investment advisory services to clients with investment portfolios of \$1,000,000.00 or more. This limit maybe met by a single account or by aggregating the assets within multiple related accounts. This minimum account size serves as a guideline, only. The Advisor, in its sole discretion, may waive this minimum account requirement.

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

In managing discretionary client accounts and providing recommendations to non-discretionary clients, the Advisor utilize various investment strategies and methods of analysis. This Item 8 describes various methods of analysis and investment strategies, as well as the primary risks associated with these investment strategies. However, it is not possible to identify all of the risks associated with investing and the particular risks applicable to a client account will depend on the nature of the account, its investment strategy or strategies and the types of securities held.

While The Advisor seeks to manage accounts so that risks are appropriate to the strategy, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. Clients and other investors should understand that they could lose some, all or more than their initial investment and should be prepared to bear the risk of such potential losses. Clients and other investors should read carefully all applicable informational materials and offering/governing

documents, including OMs for further information on the various risks prior to retaining The Advisor to manage an account or investing in any The Advisor's investment product.

Clients and other investors should be aware that while The Advisor does not limit its advice to particular types of investments, mandates can be limited to certain types of securities or to the recommendation of investment advisors or managed funds, and are not always diversified. The accounts managed by The Advisor are generally not intended to provide a complete investment program for a client or investor. Clients and other investors are responsible for appropriately diversifying their assets to guard against the risk of loss.

## **ALTERNATIVE MANDATES**

The Advisor focus on sourcing and managing high-alpha exchange traded, OTC and private placement investments with lower correlation to public markets and developing a holistic approach to address client needs in alternatives investing. These products may involve a higher level of investment risk, while seeking greater returns than traditional investment products.

Alternative products invest in a wide array of instruments depending on their respective investment guidelines and objectives, including but not limited to equity securities, debt securities, swaps, warrants, commercial paper, government securities, closed end funds, open end funds, private funds, ILS, CTAs, structured products, options contracts and future contracts. The components of The Advisor's investment management services currently are the products and services offered in the infrastructure, alternative risk transfer, weather derivatives, CTA and related asset classes.

The Advisor may solicit clients to invest in such products, from time to time and when appropriate, as these investments are not necessarily appropriate for all clients. Not all clients afforded the opportunity to invest will choose to invest. The Advisor may on a discretionary basis invest in such products on a client's behalf, in accordance with the client's investment guidelines and restrictions.

## **BORROWING AND LEVERAGE**

The Advisor may enter into borrowing arrangements on behalf of Private Funds, including by entering into a credit facility or other means of borrowing with a service provider to a Private Fund or such service provider or another third-party lender. As a general matter, these borrowing arrangements are used to meet short-term investment and liquidity needs.

However, implementing any of the investment strategies described herein can involve The Advisor borrowing for leverage or employing other forms of leverage to the extent permitted by investment guidelines. The use of leverage entails risks and, in certain cases, involves using reverse repurchase agreements and other borrowing methods, which (a) currently include, but are not limited to, (i) dollar rolls, (ii) employing hedging strategies that include the use of interest rate swaps, caps and floors, (iii) buying and selling options or futures to manage duration and risk in connection with securities portfolios, (iv) entering into forward settlement transactions, some of which include when-issued securities and (v) operational leverage embedded in derivative instruments and other financial products, and (b) in the future may include, without limitation, (i) lending securities through repurchase agreements and other lending methods, and (ii) establishing equity futures positions to equitize cash holdings in an account.

## INVESTMENT STRATEGY RISKS

**Alternative investments may be illiquid, left skewed, leptokurtic, have non-normal payoff distributions and non-linear payoff. May expose investors to, without limitation, foreign exchange risks, unlimited liability, low regulated markets and low transparency asset classes. May use various vehicles of investments, including off-shore structures.**

The Advisor supports its investment strategies with proprietary and third-party technology, which produces detailed risk management reports. These reports, among other things, enables the risks associated with the portfolios managed by The Advisor to be understood and reviewed for conformity with client objectives. Prospective clients and other investors should be aware that no risk management system is fail-safe, and no assurance can be given that risk frameworks employed by The Advisor (e.g., stop-win, stop-loss, Sharpe ratio, Sortino ratio, loss limits, VaR, CVar, CFaR, semivariance, semistandard deviation, skewness, excess kurtosis, correlation limits, max drawdown or any other methodology now known or later developed) will achieve their objectives and prevent or otherwise limit substantial losses. No assurance can be given that the risk management systems and techniques or pricing models will accurately predict future trading patterns or the manner in which investments are priced in financial markets in the future. The Advisor employs quantitatively-based financial and analytical models to aid in the selection of investments for clients and to determine the risk profile of client accounts. The success of an investment program and trading activities depends, in part, on the viability of such analytical models.

Certain risks apply specifically to particular investment strategies or investments in different types of structures, vehicles, securities or other investments that clients should be prepared to bear. The risks involved for different client accounts or funds will vary based on each client's investment strategy and the type of securities or other investments held in the client's account or the fund. The following are descriptions of various primary risks related to the investment strategies used by The Advisor. Not all possible risks are described below. Clients should read carefully all applicable informational materials and/or offering/governing documents, including OMs, contracts, and prospectuses for further information on the various risks prior to retaining The Advisor to manage its account, to give investment advice or investing in any advisor investment product.

Asset Allocation Strategy Risk. Asset allocation strategies do not assure profit or diversification and do not protect against loss.

Asset Class Risk. Securities in a portfolio can underperform in comparison to the general securities markets, a particular securities market, or other asset classes.

Basis Risk. Potential adverse change in the relationship of the cash price and futures price while the hedged position is open.

Borrowing Risk. Borrowing may exaggerate changes in the net assets and returns of a portfolio. Borrowing will cost the portfolio interest expense and other fees, potentially reducing a portfolio's return. This can at times result in a need for the portfolio to liquidate positions when it may not be advantageous to do so to satisfy its borrowing obligations. Borrowing arrangements can be used to meet short-term investment and liquidity needs or to employ forms of leverage that entails risks, including the potential for higher volatility and greater declines of a portfolio's value, and fluctuations of dividend and other distribution payments.

Carry Trade Risk. Basic carry trade is done without any exchange rate risk hedging. The primary risk to a basic carry trade is exchange rate risk, or the risk that a currency may appreciate or depreciate relative to another currency. If the high interest rate currency were to depreciate relative to the low interest rate currency by more than the interest rate differential, the trade could experience a loss.

Commodity Risk. Negative changes in a commodity market could have an adverse impact on the value of commodity-linked investments including companies that are susceptible to fluctuations in commodity markets. The value of commodity-linked investments can be affected by changes in overall market movements, taxation, terrorism, nationalization or expropriation, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as, weather (e.g., drought, flooding), livestock disease,

embargoes, tariffs and international economic, political and regulatory developments. The prices of sector commodities (e.g., energy, metals, agriculture and livestock) can fluctuate widely due to factors such as changes in value, supply and demand and governmental regulatory policies.

Competition Risk. There can be no assurance that The Advisor will be able to locate, consummate and exit investments that satisfy a portfolio's rate of return objectives or that a portfolio will be able to invest fully its committed capital.

Concentration Risk. Concentrating investments in an issuer or issuers, in a particular country, group of countries, region, market, industry, group of industries, sector or asset class means that performance will be more susceptible to loss due to adverse occurrences affecting that issuer or issuers, particular country, group of countries, region, market, industry, group of industries, sector or asset class than a more diversified mix of investments.

Controlling Interests Risk. Because of its equity ownership, representation on the board of directors and/or contractual rights, a portfolio may be considered to control or influence the conduct of portfolio companies. Under certain circumstances, such ownership or roles could be used by third parties as the basis for such parties to assert environmental, pension-related, securities law or other claims against such portfolio or its owners or affiliates.

Conversion of Equity Investments Risk. After its purchase, a non-equity investment directly or indirectly held by a portfolio, such as a convertible debt obligation may convert to an equity security (converted investment). Alternatively, a portfolio may directly or indirectly acquire equity securities in connection with a restructuring event related to one or more of its non-equity investments. Challenges in liquidating the converted investment at an advantageous time, would impact the performance of the portfolio.

Counterparty. Transactions, including certain derivative transactions, entered into directly with a counterparty are subject to the risk that the counterparty will fail to perform its obligations in accordance with the agreed terms and conditions of the transaction. A counterparty's bankruptcy or other failure to perform its obligations due to financial difficulties, would result in significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding or no recovery in such circumstances.

Credit/Default Risk. Debt issuers and other counterparties of fixed income securities or instruments in some instances default on their obligation to pay interest, repay principal or make a margin payment, or default on any other obligation. Additionally, the credit quality of securities or instruments could deteriorate (e.g., downgraded by ratings agencies), which would impair a security's or instruments liquidity and decrease its value.

Currency Risk. Currencies are purchased and sold for portfolios through the use of forward, futures and options contracts or other instruments. A portfolio that seeks to trade in foreign currencies can have limited access to certain currency markets due to a variety of factors including government regulations, adverse tax treatment, exchange controls, and currency convertibility issues. Certain portfolios can hold investments denominated in currencies other than the currency in which the portfolio is denominated. Currency exchange rates can be volatile, particularly during times of political or economic unrest or as a result of actions taken by central banks. A change in the exchange rates has the potential to produce significant losses to a portfolio.

Cyber Security Risk. With the increased use of technologies such as the Internet to conduct business, a portfolio is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and are not limited to, gaining unauthorized access to digital systems, and misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including the denial-of-service attacks on websites. Cyber security failures or breaches by a third party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents.

Debt Instruments Generally. Investments in debt and credit-related instruments may be secured or unsecured and may be structurally or contractually subordinated to substantial amounts of senior indebtedness. Other factors may materially and adversely affect the market price and yield of such debt investments, including investor demand, changes in the financial condition of the applicable portfolio company, government fiscal policy and domestic or worldwide economic conditions.

Derivative Risk. Investments in derivatives, or similar instrument, including but not limited to, options, futures, options on futures, forwards, participatory notes, swaps, structured securities, tender-option bonds and derivatives relating to foreign currency transactions, which can be used to hedge a portfolio's investments or to seek to enhance returns, entail specific risks relating to liquidity, leverage and credit that can reduce returns and/or increase volatility. Losses in a portfolio from investments in derivative instruments can result from the potential illiquidity of the markets for derivative instruments, the failure of the counterparty to fulfill its contractual obligations, the portfolio receiving cash collateral under the transactions and some or all of that collateral being invested in the market, or the risks arising from margin posting requirements and related leverage factors associated with such

transactions. In addition, many jurisdictions continue to review practices and regulations relating to the use of derivatives, or similar instrument. Such reviews could make such instruments more costly, limiting the availability of, or otherwise adversely affecting the value or performance of such instrument.

Developed Countries Risk. Investments in developed countries subject a portfolio to regulatory, political, currency, security, demographic, and economic risk specific to developed countries. Developed countries are impacted by changes to the economic health of certain key trading partners, regulatory burdens, debt burdens, and the price or availability of certain commodities. Developed countries tend to represent a significant portion of the global economy and have generally experienced slower economic growth than some other countries or regions.

Distressed Securities Risk. Investments in companies that are in poor financial condition, lack sufficient capital or are involved in bankruptcy or reorganization proceedings face the unique risks of lack of information with respect to the issuer, the effects of bankruptcy laws and regulations and greater market volatility than is typically found in other securities markets. As a result, investments in securities of distressed companies involve significant risks that could result in a portfolio, incurring losses with respect to such investments.

Due Diligence of and Conduct at Portfolio Companies. Before making investments, The Advisor will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. From time to time, outside consultants, legal advisors, accountants, investment banks and other third parties are involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors, consultants and other third parties may present a number of risks. The due diligence investigation that The Advisor carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not in itself result in the investment being successful.

Emerging Markets Risk. Investments in emerging markets can be subject to a greater risk of loss than investments in more developed markets, as they are more likely to experience inflation risk, political turmoil and rapid changes in economic conditions. Investing in the securities of emerging markets involves certain considerations not typically associated with investing in more developed markets, including but not limited to, the small size of such securities markets and the low volume of trading (possibly resulting in potential lack of liquidity and in price volatility), political risks of emerging markets which can include unstable governments, government intervention in securities or currency markets, nationalization, restrictions on foreign ownership and investment, laws preventing repatriation of assets and



legal systems that do not adequately protect property rights. Further, emerging markets can be affected adversely by changes to the economic health of certain key trading partners, such as the U.S., regional and global conflicts and terrorism and war. Emerging markets often have less uniformity in accounting and reporting requirements, unreliable securities valuation and greater risk associated with custody of securities.

Energy and Natural Resources Industries Risks. Investments in the energy and natural resources industries and energy infrastructure assets are subject to certain special risks, including, but not limited to, the following:

Volatility of Commodity Prices. The performance of all or a portion of a portfolio's investments may substantially depend upon prevailing prices of commodities, which have been, and may in the future be, volatile and subject to wide fluctuations in response to uncertain market factors that are beyond the control of an Adviser.

Infrastructure Assets Generally. Investment in infrastructure assets or businesses may be affected by a number of factors including economic conditions, political events, competition, regulation and the financial position and business strategy of customers. Many of these factors are outside of the control of the owner, operator and management of a project and the related portfolio company.

Regulatory Risk; Government, Agency and Rate Risk. The energy and natural resources industries are subject to comprehensive U.S. and non-U.S. federal, state and local laws and regulations, which could cause additional expenditures, decreased revenues, restrictions and delays that could materially and adversely affect the portfolio companies and the prospects of the portfolio.

Uncertainty of Estimates. Estimates of energy and natural resources reserves and of factors such as solar energy intensity and movement of wind and water flow by qualified engineers are subject to wide variances based on changes in commodity prices and certain technical assumptions. Accordingly, it is possible for such estimates to be significantly revised from time to time, creating significant changes in the value of the assets or businesses owning such reserves.

Environmental Regulation. Environmental laws, regulations and regulatory initiatives play a significant role in the energy and natural resources (including renewable power) industries and new and more stringent environmental laws, regulations and regulatory initiatives or stricter interpretations of current laws or regulations could impose substantial additional costs on portfolio investments.

Operational Risk and Catastrophic and Force Majeure Events. The long-term profitability of energy and natural resource assets is partly dependent upon the efficient operation and maintenance of the assets and asset-owning portfolio investments. Inefficient operation and maintenance and a wide variety of events outside of a portfolio's control, including, natural disasters, may reduce the profitability of portfolio investments, adversely affecting a portfolio's financial returns.

Drilling, Exploration, Development and Mining Risks. From time to time, a portfolio may invest in businesses or projects that engage in exploration and development, a speculative business involving a high degree of risk.

Importance of PPAs and Exposure to Merchant Power Pricing. A portfolio investment's expected revenue generally will be dependent on it being able to enter into and sell power under medium to long-term arrangements governing power sales, which can include bilateral agreements, power hedges, feed-in-tariffs and contracts associated with the sale of renewables obligation certificates and other contractual power sale arrangements (any such arrangements are referred to as "PPAs"). There can be no assurance that market prices will be at levels that enable a portfolio's projects to operate profitably or as projected, which may have a material adverse effect on a portfolio's performance levels.

Political and Societal Challenges. Energy and energy-related projects are often subject to siting requirements. Proposals to site an energy plant or any associated infrastructure may be challenged based on alleged security concerns, disturbances to natural habitats for wildlife and adverse aesthetic impacts, as well as federal, state, local and private site selection concerns. In addition, there is the possibility that political and societal challenges could delay or prohibit the construction of a power project or impair its operations.

Sovereign Risk. The rights of certain portfolio companies to extract mineral resources, or to generate, deliver or sell energy or related services and equipment are often granted by or derive from approval by governmental entities and are subject to special risks, including the risk that the relevant governmental entity will exercise sovereign rights and take actions contrary to the rights of a portfolio or the relevant portfolio company or project under the relevant agreement.

Terrorist Activities. The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for electricity and could affect the financial results of the portfolios due to a portfolio company being forced to increase preventative security measures or expand its insurance coverage, adversely affecting the profitability of the investment therein.

Effects of Ongoing Changes in the Electric Industry. A portfolio's investments in energy and natural resource assets will be directly and indirectly affected by changes in the electric utility industries, such as increasing competitive pressures and increasing environmental regulations and standards.

Technical Risk. Investments in the energy industry are subject to technical risks, including the risk of mechanical breakdown, spare parts shortages, failure to perform according to design specifications and other unanticipated events, which may adversely affect operations.

Climate Change and Natural Events May Reduce Energy Production Below Expectations. Prolonged changes in climatic conditions may have a significant impact on the revenues, expenses and conditions of portfolio investments.

Equity Securities Risk. Equity securities are subject to changes in value and their values can be more volatile than other asset classes. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and the industry in which the issuer securities are subject to stock risk. Historically, U.S. and non-U.S. stock markets have experienced periods of substantial price volatility and should be expected do so again in the future.

Fraud. Of paramount concern in originating loans is the possibility of material misrepresentation or omission on the part of a borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans, or may adversely affect the likelihood that a lien on the collateral securing the loans has been properly created and perfected. Under certain circumstances, payments to a portfolio may be reclaimed if any such payment or distribution is later determined to have been made with intent to defraud or prefer creditors.

Fraudulent Conveyance Risk. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of a borrower, such as a trustee in bankruptcy or the borrower as debtor-in-possession, were to find that the borrower did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by a loan made by a portfolio and the grant of any security interest or other lien securing such investment made by a portfolio, and, after giving effect to the incurring of such indebtedness, the borrower (a) was insolvent; (b) was engaged in a business for which the assets remaining in such borrower constituted unreasonably small capital; or (c) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could invalidate, in whole or in part, such indebtedness and such security interest or other lien as fraudulent conveyances, subordinate such indebtedness to existing or future creditors of the borrower or recover amounts previously paid by the borrower (including to the relevant portfolio) in satisfaction of such indebtedness or proceeds of such security interest or other lien previously applied in satisfaction of such indebtedness.

Funding risk. Refers to the inability of an investor to obtain financing, refinance or roll over current debt, or meet capital needs such as a private equity general partner's capital call.

Hedging Risk. Hedging techniques could involve a variety of derivatives, including futures contracts, exchange-listed and over-the-counter put and call options on securities, financial indices, forward foreign currency contracts, and various interest rate transactions. A transaction used as a hedge to reduce or eliminate losses associated with a portfolio holding or particular market that a portfolio has exposure, including currency exposure, can also reduce or eliminate gains. Hedges are sometimes subject to imperfect matching between the hedging transaction and its reference portfolio holding or market (basis and correlation risk), and there can be no assurance that a portfolio's hedging transaction will be effective. In

particular, the variable degree of correlation between price movements of hedging instruments and price movements in the position being hedged creates the possibility that losses on the hedge will be greater than gains in the value of the positions of the portfolio. Increased volatility will generally reduce the effectiveness of the portfolio's currency hedging strategy. Hedging techniques involve costs, which could be significant, whether or not the hedging strategy is successful. Hedging transactions, to the extent they are implemented, will not necessarily be completely effective in insulating portfolios from currency or other risks.

Illiquid and Long-Term Investment Risk. Certain portfolios may invest in private debt instruments secured by infrastructure assets for which the number of potential purchasers and sellers, if any, is often limited. This factor may have the effect of limiting the availability of these obligations for origination or purchase by a respective portfolio and may also limit the ability of a portfolio to sell such obligations at their fair market value prior to termination of such portfolio or in response to changes in the economy or financial markets. In particular, such investments will be relatively illiquid and there can be no assurance that a portfolio will be able to realize on such investments in a timely manner.

Income Risk. A portfolio's income can decline in some instances when interest rates decrease. During periods of falling interest rates if an issuer is able to repay principal prior to the security's maturity ("prepayment"), the portfolio could be caused to reinvest in securities with a lower yield, resulting in a decline in the portfolio's income.

Interest Rate Risk. When interest rates increase, fixed income securities or instruments will generally decline in value. Long-term fixed income securities or instruments will normally have more price volatility because of this risk than short-term fixed income securities or instruments.

Issuer Risk. A portfolio's performance depends on the performance of individual securities to which the portfolio has exposure. Adverse changes to the financial condition or credit rating of an issuer of those securities often cause the value of the securities to decline or become worthless.

Investment Style Risk. Different investment styles tend to shift in and out of favor depending upon market and economic conditions and investor sentiment. Portfolios can outperform or underperform other portfolios that invest in similar asset classes but employ different investment styles.

Leverage Risk. A portfolio utilizing leverage will be subject to heightened risk. Leverage often involves the use of various financial instruments or borrowed capital in an attempt to increase the return on an investment and is often intrinsic to certain derivative instruments. Leverage

can take the form of borrowing funds, trading on margin, derivative instruments that are inherently leveraged, including but not limited to, forward contracts, futures contracts, options, swaps (including total return financing swaps and interest rate swaps), repurchase agreements and reverse repurchase agreements, or other forms of direct and indirect borrowings and other instruments and transactions that are inherently leveraged. Any such leverage, including instruments and transactions that are inherently leveraged, can result in the portfolio's market value exposure being in excess of the net asset value of the portfolio. A portfolio could need to liquidate positions when it is not advantageous to do so to satisfy its borrowing obligations. The use of leverage entails risks, including the potential for higher volatility and greater declines of a portfolio's value, and fluctuations of dividend and other distribution payments.

Liquidity Risk. Liquidity risk exists when particular investments are difficult to purchase or sell (e.g., not publicly traded and/or no market is currently available or may become less liquid in response to market developments). This can reduce a portfolio's returns because the portfolio may be unable to transact at advantageous times or prices. Investments that are illiquid or that trade in lower volumes may be more difficult to value.

Long/Short Strategy Risk. There is no guarantee that returns on a portfolio's long or short positions will produce high, or even positive, returns and the portfolio could lose money if either or both the portfolio's long and short positions produce negative returns.

Management Risk. A portfolio is subject to management risk, which is the risk that the investment process, techniques and analyses applied will not produce the desired results, and those securities or other financial instruments selected for a portfolio will result in returns that are inconsistent with the portfolio's investment objective. Portfolios advised by The Advisor are subject to threshold limitations on aggregate ownership interests in certain companies and commodities arising from statutory regulatory or self-regulatory organization requirements or company ownership restrictions (e.g., poison pills or other restrictions in organizational documents). In addition, legislative, regulatory, or tax developments affect the investment techniques or opportunities, available in connection with managing the portfolio and can also adversely affect the ability of the portfolio to achieve its investment objective (e.g., where aggregate ownership thresholds or limitations must be observed, a portfolio is subject to investment limitations in certain companies arising from statutory, regulatory or self-regulatory organization requirements or company ownership restrictions).

Market Risk. The market value of the instruments in which a portfolio invests will go up or down in response to the prospects of individual companies, particular sectors or governments and/or general economic conditions throughout the world due to increasingly interconnected global economies and financial markets.

Non-U.S. Securities Risk. Investments in the securities of non-U.S. issuers are subject to the risks associated with non-U.S. markets in which those non-U.S. issuers are organized and operate, including but not limited to, risks related to foreign currency, limited liquidity, less government regulation, privatization, and the possibility of substantial volatility due to adverse political, economic, geographic events, or other developments, differences in accounting, auditing and financial reporting standards, the possibility of repatriation, expropriation or confiscatory taxation, adverse changes in investment or exchange controls or other regulations and potential restrictions on the flow of international capital. These risks are often heightened for investments in smaller capital markets, emerging markets, developing markets or frontier markets.

Offshore Investor Risk. A portfolio seeking to trade in foreign currencies can have limited access to certain currency markets due to a variety of factors including government regulations, adverse tax treatment, exchange controls, and currency convertibility issues. These limitations and restrictions impact the availability, liquidity and pricing of the financial instruments that are necessary for the portfolio to gain exposure to the currency markets, impairing the portfolio's ability to achieve its investment objective.

Operational Risk. In some instances, a portfolio can suffer a loss arising from shortcomings or failures in internal processes, people or systems, or from external events. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents related to, for example, major systems failures.

Private Investment Risk. Investments in private investments, including debt or equity investments in operating and holding companies, investment funds, joint ventures, royalty streams, commodities, physical assets, and other similar types of investments can be highly illiquid and long-term. A portfolio's ability to transfer and/or dispose of private investments is expected to be highly restricted. The Advisor may not be able to obtain material information about the private investment that other investors obtain. Private investments are not subject to the same reporting and disclosure requirements as public companies, which may increase valuation risk for those investments.

Settlement Risk. Is the risk that one party will fail to deliver the terms of a contract with another party at the time of settlement. *Settlement risk* can be the risk associated with default at settlement and any timing differences in settlement between the two parties. This type of risk can lead to principal risk.

Short Selling Risk. Short sales in securities that it does not own exposes a portfolio to speculative exposure risks. If a portfolio makes short sales in securities that increase in value,

the portfolio will lose value. Certain securities may not be available or eligible for short sales. Short selling involves the risks of: increased leverage, and its accompanying potential for losses; the potential inability to reacquire a security in a timely manner, or at an acceptable price; the possibility of the lender terminating the loan at any time, forcing the portfolio to close the transaction under unfavorable conditions; the additional costs that may be incurred; and the potential loss of investment flexibility caused by the obligation to provide collateral to the lender and set aside assets to cover the open position. There can be no assurance that a portfolio will be able to close out a short sale position at any particular time or at an acceptable price. Loss on short positions is subject to potential offset by investing short-sale proceeds in other investments.

Unlimited Liability Risk. Separated Managed Accounts (“SMAs”) lack the limited liability offered by funds. This means that “SMA” investors can actually lose more than their original investment. This is more likely to occur when a trading strategy takes high levels of risk, uses large amounts of leverage, or relies heavily on derivative securities.

U.S. Economic Risk. The United States is a significant trading partner with other countries. Certain changes in the U.S. economy can have an adverse effect on the economy and markets of other countries.

Valuation Risks. The net asset value of a portfolio as of a particular date may be materially greater than or less than its net asset value that would be determined if a portfolio’s investments were to be liquidated as of such date. For example, if a portfolio was required to sell a certain asset or all or a substantial portion of its assets on a particular date, the actual price that a portfolio would realize upon the disposition of such asset or assets could be materially less than the value of such asset or assets as reflected in the net asset value of a portfolio. Volatile market conditions could also cause reduced liquidity in the market for certain assets, which could result in liquidation values that are materially less than the values of such assets as reflected in the net asset value of a portfolio.

Volatility Risk. The prices of a portfolio’s investments can be highly volatile. Price movements of assets are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, developments or trends in any particular industry, the financial condition of the issuers of such assets, changing supply and demand relationships, programs and policies of governments, and national and international political and economic events and policies.

**OPERATING EVENTS**

Trade errors and other operational mistakes (“Operating Events”) occasionally may occur in connection with The Advisor’s management of funds and client accounts (“Portfolios”). The Advisors have policies and procedures that address identification and correction of Operating Events, consistent with applicable standards of care and client documentation. An Operating Event generally is compensable by The Advisor to a client or fund when it is a mistake (whether an action or inaction) in which The Advisor has, in the Advisor’s reasonable view, deviated from the applicable investment guidelines or the applicable standard of care in managing a Portfolio, subject to the considerations set forth below.

Operating Events may include, but are not limited to: (i) the placement of orders (either purchases or sales) in excess of the amount of securities intended to trade for a Portfolio; (ii) the purchase (or sale) of a security when it should have been sold (or purchased); (iii) the purchase or sale of a security not intended for the Portfolio; (iv) the purchase or sale of a security contrary to applicable investment guidelines or restrictions; (v) incorrect allocations of trades; and (vi) transactions with a non-authorized counterparty. Operating Events can also occur in connection with other activities that are undertaken by The Advisor, such as net asset value calculations, management fee calculations, calculations of carried interest or incentive fees, trade recording and settlement and other matters that are non-advisory in nature.

The Advisor makes its determinations regarding Operating Events pursuant to its policies on a case-by-case basis, in its discretion, based on factors it considers reasonable, including regulatory requirements, contractual obligations, and business practices. Not all Operating Events will be considered compensable mistakes. Relevant factors The Advisor considers when evaluating whether an Operating Event is compensable include, among others, the nature of the service being provided at the time of the event, specific applicable contractual and legal requirements and standards of care, whether an applicable investment objective or guideline was contravened, the nature of the client’s investment program, and the nature of the relevant circumstances. Operating Events may result in gains or losses or could have no financial impact. Clients or funds generally are entitled to retain any gain resulting from an Operating Event. When The Advisor determines that reimbursement is appropriate, the client or fund will be compensated as determined in good faith by The Advisor. The Advisor will determine the amount to be reimbursed, if any, based on what it considers reasonable guidelines regarding these matters in light of all of the facts and circumstances related to the Operating Event. In general, compensation is expected to be limited to direct and actual losses, which may be calculated relative to comparable conforming investments, market factors and benchmarks and with reference to related transactions and/or other factors The Advisor considers relevant. Compensation generally will not include any amounts or measures that The Advisor determines are speculative or uncertain.



### Item 9 – Disciplinary Information

As a registered investment adviser, The Advisor is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of The Advisor or the integrity of The Advisor's advisory services. The Advisor has no information to report that is applicable to this Item.

### Item 10 – Other Financial Industry Activities and Affiliations

As a registered investment adviser, The Advisor is required to disclose all relationships it has with affiliates and related persons that may be material to your evaluation of The Advisor and the services it may provide you. The Advisor is registered as a CTA – Commodity Trading Advisor with NFA (NFA ID# 504463) and registered as an insurance broker with SUSEP – Brazilian insurance regulator (SUSEP 10.2032676.9).

### Item 11 – Code of Ethics

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

The Advisor anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which The Advisor has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which The Advisor, its affiliates and/or clients, directly or indirectly, have a position of interest. The Advisor's employees and persons associated with The Advisor are required to follow The Advisor's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of The Advisor and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for The Advisor's clients.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of The Advisor will not interfere with (i) making decisions in the best interest of advisory clients, and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt, based upon a determination that transactions in

these would not materially interfere with the best interests of The Advisor's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between The Advisor and its clients.

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

The Advisor's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Mr. André Costa, Sole Proprietor, at +55(62)99244-2315, or [andre@quixnet.com.br](mailto:andre@quixnet.com.br).

It is The Advisor's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. The Advisor also will not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

As a general rule, The Advisor receives discretionary (or non-discretionary) investment authority from its clients at the outset of an advisory relationship. Subject to the terms of the

applicable IMA, the Advisor's authority often includes the ability to select brokers and dealers through which to execute transactions on behalf of its clients, and to negotiate the commission rates, if any, at which transactions are effected. In making decisions as to which securities or instruments are to be bought or sold and the amounts thereof, The Advisor is guided by the IMA or mandate selected by the client and any client-imposed guidelines or restrictions. In some cases, pursuant to the advisory relationship, The Advisor has the authority to enter into an over the counter derivative relationship and transaction related documentation, repurchase agreements, futures and cleared derivatives agreements, listed options agreements, prime brokerage and securities lending agreements, securities forward agreements and other brokerage and/or trading agreements in connection with the trading of certain securities or instruments.

## **SELECTION OF BROKERS, DEALERS AND OTHER TRADING VENUES AND METHODS**

The overriding consideration in allocating client orders for execution is the maximization of client profits (or minimization of losses) through a combination of controlling transaction costs (including market impact) and seeking the most effective uses of a broker's capabilities. When The Advisor has the authority to select brokers or dealers to execute transactions for its clients, it seeks to obtain the best execution reasonably available under the circumstances (which may or may not result in paying the lowest available brokerage commissions or spread). In so doing, The Advisor considers all factors it deems relevant. Such factors are typically either venue specific or transaction specific and may include, but not be limited to: (A) for venues: (i) execution capability including speed of execution, quality of communication links to The Advisor, clearance and trade settlement history and capability and ratio of complete versus incomplete trades; (ii) ability to handle large trades in securities having limited liquidity without undue market impact and ability to provide liquidity (as principal, agent or otherwise); (iii) access to market liquidity and quotation sources; (iv) financial condition of the counterparty, including reputation and creditworthiness; (v) responsiveness and reliability in executing trades, keeping records and accounting for and correcting administrative errors; (vi) ability to maximize price improvement opportunities, including the ability to provide ad hoc information or services; and (vii) ability to comply with all regulatory requirements; and (B) for transactions: (i) price and overall cost of the transaction, including any related credit support; (ii) the size, type and timing of the transaction; (iii) existing and expected activity in the market for the security, including any trading patterns of the security and the particular marketplace; (iv) nature and character of the security or instrument and the markets on which it is purchased or sold; (v) value of research provided, if permitted under applicable law or regulation; (vi) fund or portfolio objectives or client requirements (if permissible), as applicable; (vii) if applicable, client-directed brokerage arrangements; and (viii) applicable execution venue factors. The Advisor do not consider a broker's or dealer's

sales of The Advisor or clients' products, including shares of mutual funds or ETFs, when determining whether to select such broker or dealer to execute fund portfolio transactions. In addition, when deemed appropriate by The Advisor and subject to the applicable IMA and investment guidelines, The Advisor enter into derivatives transactions (including but not limited to futures, swaps, options and currency forward contracts) on behalf of a Client. Counterparties to these derivatives transactions are selected based on a number of factors, including credit rating, execution prices, execution capability with respect to complex derivative structures and other criteria relevant to a particular transaction. The Advisor endeavor to be aware of current charges assessed by relevant broker-dealers and to minimize the expense incurred for effecting portfolio transactions, to the extent consistent with the interests and policies of client accounts. However, The Advisor will not select broker-dealers solely on the basis of "posted" commission rates nor always seek in advance competitive bidding for the most favorable commission rate applicable to any particular transaction. Although The Advisor generally seek competitive commission rates, they will not necessarily pay the lowest commission or commission equivalent as transactions that involve specialized services on the part of a broker dealer generally result in higher commission rates or equivalents than would be the case with more routine transactions. The Advisor may pay higher commission rates to those brokers whose execution abilities, brokerage or research services or other legitimate and appropriate services are particularly helpful in seeking good investment results and may consistent with applicable law and client consent.

The reasonableness of commissions is based on The Advisor's view of the broker's ability to provide professional services, competitive commission rates, research and other services which will help The Advisor in providing investment advisory services to its clients, viewed in terms of either the particular transaction or The Advisor's overall responsibility to its clients, as the extent to which the commission rate or net price associated with a particular transaction reflects the value of services provided often cannot be readily determined. In making these determinations, The Advisor recognizes that some firms are better at executing some types of orders than others and it can be in the clients' best interests to use a broker whose commission rates are not the lowest but whose executions and other services The Advisor believes are likely to result in lower overall transaction costs or more favorable or more certain results.

Unless inconsistent with The Advisor's duty to seek best execution, The Advisor may at times directs a broker to execute a trade and "step out" a portion of the commission in favor of another broker that provides brokerage or research related services to The Advisor as described above. The Advisor may also at times uses step out transactions in fulfilling a client directed brokerage arrangement, to allow for an order to be aggregated, or for regulatory or other purposes. However, The Advisor does not enter into agreements with, or make commitments to, any broker-dealer that would bind The Advisor to compensate that broker-dealer, directly or indirectly, for client referrals or sales efforts through placement of brokerage

transactions; nor will The Advisor use step out transactions or similar arrangements to compensate selling brokers for their sales efforts.

### **Use of Soft Commissions**

The Advisor may use soft commissions to acquire research or brokerage services other than order execution, but always in client's benefit.

### **COMPETING OR COMPLEMENTARY INVESTMENTS AND TRADE AGGREGATION**

In some circumstances, The Advisor seeks to buy or sell the same securities contemporaneously for multiple Client accounts. Similarly, The Advisor may manage or advise accounts that have investment objectives that are similar to those of other Clients and/or seek to make investments in securities or other instruments these Clients invest. This may create potential conflicts and potential differences among different Advisor's Clients, particularly where there is limited availability or limited liquidity for those investments. The Advisor may develop policies and procedures that provide that it will seek to allocate investment opportunities and make purchase and sale decisions among all Advisor's Clients in a manner that it deems fair and equitable over time.

Although, in some instances, allocating orders among The Advisor's Clients can create potential conflicts of interest because The Advisor receives greater fees or compensation from certain Clients, The Advisor will not make allocation decisions based on such interests or greater fees or compensation. Notwithstanding the foregoing, and considering The Advisor's policy to treat all eligible Clients fairly and equitably over time, any particular allocation decision among accounts can be more or less advantageous to any one The Advisor Client or group of The Advisor Clients and certain allocations, to the extent consistent with The Advisor's fiduciary obligations, deviate from a pro rata basis among The Advisor Clients in order to address legal, tax, regulatory, fiduciary, risk management, and other considerations. In any given circumstance, The Advisor also will consider client guidelines, the source of the investment opportunity, the nature of the mandate, the timing of a given fund or account's closing, contractual obligations, the respective committed capital of the relevant The Advisor Clients, legal or regulatory requirements, and other considerations, as applicable.

For example, The Advisor allocates investment opportunities among client accounts based upon the nature of the investment opportunity and an assessment of the appropriateness of that opportunity for a client's account, taking into consideration the various risk characteristics associated with the investment opportunity and the relative risk profiles of the client account ("suitability"). The risks considered in determining the suitability for a group of accounts include, without limitation; (i) the type of security being considered; (ii) the security-, issuer- and/or industry-specific risks; (iii) the actual or expected liquidity of the security; and (iv) current and expected concentrations and exposures. In certain cases, The Advisor will determine

that an investment opportunity or particular purchases or sales are appropriate for one or more The Advisor Client, but not for other The Advisor Clients, or are appropriate for, or available to, The Advisor Clients but in different sizes, terms, or timing than is appropriate for other The Advisor Clients, or determine not to allocate to or purchase or sell for certain The Advisor Clients all investment transactions for which all The Advisor Clients may be eligible.

The Advisor, in appropriate circumstances, will aggregate securities trades for a The Advisor Client with similar trades for other The Advisor Clients, but are not required to do so. In particular, The Advisor will determine not to aggregate transactions that relate to portfolio management decisions that are made independently for different accounts or if it determines that aggregation is not practicable, not required or inconsistent with, client direction. When transactions are aggregated and it is not possible, due to prevailing trading activity or otherwise, to receive the same price or execution on the entire volume of securities purchased or sold, the various prices will be averaged, in which case all participating accounts generally will be charged or credited with the average price. In addition, under certain circumstances, The Advisor Clients will not be charged the same commission or commission equivalent rates in connection with a bunched or aggregated order. The effect of the aggregation therefore, on some occasions could either advantage or disadvantage a The Advisor Client.

From time to time, aggregation will not be possible because a security is thinly traded or otherwise not able to be aggregated and allocated among all client accounts seeking the investment opportunity or a The Advisor Client will be limited in, or precluded from, participating in an aggregated trade as a result of that The Advisor Client's specific brokerage arrangements, as discussed above. In these cases, The Advisor generally will choose to allocate on a non-pro rata basis such as through random or rotational allocations among eligible accounts in such a manner as to reasonably assure that The Advisor Clients are treated fairly and equitably over time. Also, The Advisor Clients can become subject to threshold limitations on aggregate ownership interests in certain companies arising from statutory, regulatory or self-regulatory organization requirements, or company ownership restrictions (e.g., weapons industry or other restrictions in organizational documents). In these circumstances, The Advisor Client will be competing for investment opportunities with other The advisor Clients. Similarly, some The Advisor Clients will be limited or restricted in their ability to participate in certain initial public offerings pursuant to FINRA rules. This will result in client accounts not being able to fully participate, or to participate at all, in such opportunities.

Given all of the foregoing factors, the amount, timing, structuring, or terms of an investment by The Advisor Clients will differ from, and performance can be lower than, investments and performance of other The Advisor Clients, including those which provide greater fees or other compensation (including performance-based fees) to The Advisor.

## **DIRECTED BROKERAGE**

The Advisor accepts direction from clients or agrees to limitations with respect to The Advisor's brokerage discretion as to which brokers or dealers are to be used in effecting transactions for client accounts. Clients who direct The Advisor to use a particular broker or dealer, or otherwise

limit The Advisor's brokerage discretion, should be aware that, this direction can limit The Advisor in obtaining volume discounts on aggregated orders, or in selecting brokers or dealers on the basis of best price and execution. Clients who direct brokerage can have execution of their orders delayed, since (as discussed above) in certain instances The Advisor will fill directed trades after block trading activity is completed for a particular security.

## **NON-DISCRETIONARY ACCOUNTS**

If a client has retained The Advisor to manage an account on a non-discretionary basis ("Non-Discretionary Clients"), there is the potential for the Client to be disadvantaged because The Advisor generally must obtain the Non-Discretionary Client's approval prior to effecting investment transactions on their behalf (unless otherwise agreed to with the client). In some instances, Non-Discretionary Clients will not receive notification of proposed trades from The Advisor and/or will not provide consent to such trades until after The Advisor's discretionary accounts have finished trading. Therefore, Non-Discretionary Clients will not always benefit from aggregated or "bunched" orders, resulting in a delay in execution of orders, and resulting in their accounts receiving a price that potentially is less favorable than that obtained for discretionary accounts. In addition, in certain instances, Non-Discretionary Clients are precluded from participating in certain investment opportunities that are available to discretionary clients if The Advisor is unable to obtain the client's consent in a timely fashion. As a result of these and other factors, the performance of non-discretionary accounts can differ from (and be better or worse than) the performance of discretionary accounts following the same investment strategy.

## **CHANGES TO THE ADVISOR'S BROKERAGE ARRANGEMENTS**

The Advisor may choose, from time to time, to alter or not to engage in the above described arrangements to varying degrees, without notice to The Advisor Clients, to the extent permitted by applicable law and the applicable client agreement.

### **Item 13 – Review of Accounts**

The Advisor periodically reviews client accounts and provides reports to clients regarding their accounts. The nature and frequency of these reviews, as well as the frequency and content of these reports, is discussed in more detail below.

## **NATURE AND FREQUENCY OF CLIENT ACCOUNT REVIEW**

Depending on the nature of an institutional client's portfolio, the client's own monitoring capabilities, the type of advice and the arrangements made with the client, The Advisor's frequency of client account reviews ranges from daily to quarterly. The level of review can

encompass the client's portfolio, a section of the portfolio, or a specific transaction or investment. Additional reviews can be triggered by changes in the investment objectives or guidelines of a particular client or specific arrangements with particular clients. The frequency, depth, and nature of reviews are often determined by negotiation with individual clients pursuant to the terms of each client's written IMA or by the mandate selected by the client and the particular needs of each client. Reviews typically are conducted by The Advisor and client's legal and accountant advisors or personnel. The Advisor may hold periodic staff meetings to determine the timing, level and focus of specific client reviews and to review the appropriateness of the review already completed.

## **FREQUENCY AND CONTENT OF CLIENT ACCOUNT REPORTS**

The frequency and content of reports for institutional clients vary according to the particular needs of each client and the agreement between the client and The Advisor. Such reports generally contain information with respect to portfolio holdings, transactions, risks and performance.

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

#### **SOLICITATION, INTRODUCTION OR PLACEMENT ARRANGEMENTS**

From time to time, The Advisor may compensate certain unaffiliated persons or entities for client referrals or introductions to The Advisor or placements of interests in Private Funds, in compliance with applicable law, including circumstances where, in connection with discrete advisory transactions, The Advisor may pay or split a portion of the fees with an unaffiliated third-party for assisting in obtaining a specific client. The material terms of such arrangements will be disclosed to relevant clients or investors. In such cases, The Advisor will inform each Private Fund investor that is the subject of such placement services that the third-party placement agent will be compensated by the investor, the Private Fund or The Advisor, as the case may be. The name of the third-party providing the services also is disclosed to each relevant Private Fund investor, along with the nature of any affiliation between the third-party and The Advisor.

With respect to client solicitation arrangements, the Advisers Act requires that, among other things, compensation to a solicitor be made pursuant to a written agreement and, for third-party solicitor arrangements, that the solicitor provide to each person solicited for The Advisor's advisory services, a written disclosure statement (the "Solicitor's Disclosure Statement") and this Brochure. The Solicitor's Disclosure Statement contains important information with respect to, among other things, the material terms of the solicitor's



compensation from The Advisor, the nature of any relationship or affiliation between the solicitor and The Advisor, whether the client bears any costs with respect to the solicitation and whether the fees paid by such a client may differ from fees paid by other similarly situated clients who are not so introduced, as a result of the solicitation, and these Solicitor's Disclosure Statements should be reviewed carefully by prospective clients. From time to time and consistent with The Advisor policy and applicable regulation, The Advisor may also pay for, or reimburses broker-dealers to cover, various costs arising from, or activities that may result in, the sale of advisory products or services, including: (i) client and prospective client meetings and entertainment; (ii) sales and marketing materials; (iii) educational and training meetings or entertainment activities with the registered representatives of such broker-dealers and other personnel from entities that distribute The Advisor's products and/or services; and (iv) charitable donations in connection with events involving personnel or clients of entities that distribute The Advisor's products and/or services.

### **Item 15 – Custody**

The Advisor does not have actual custody of its clients' assets.

Clients generally will receive account statements directly from their third-party custodians for the accounts and should carefully review these statements. Such clients should contact The Advisor immediately if they do not receive account statements from their custodian on at least a quarterly basis. As noted in Item 13 ("Review of Accounts") of this Brochure, the frequency and content of reports provided by The Advisor to clients vary according to the particular needs of each client and the agreement between the client and The Advisor. Clients should compare any reports provided by The Advisor with the account statements received from the custodian. If clients discover any discrepancy between the account statement provided by The Advisor and the account statement provided by the custodian, then they should contact The Advisor immediately.

### **Item 16 – Investment Discretion**

As a general rule, The Advisor receives discretionary (or non-discretionary) investment authority from its clients at the outset of an advisory relationship. Depending on the terms of the applicable IMA, The Advisor's authority could include the ability to select brokers and dealers through which to execute transactions on behalf of its clients, and to negotiate the commission rates, if any, at which transactions are effected. In making decisions as to which securities are to be bought or sold and the amounts thereof, The Advisor is guided by the mandate selected by the client and any client-imposed guidelines or restrictions. Unless The Advisor and the client have entered into a non-discretionary arrangement, The Advisor generally is not required to provide notice to, consult with, or seek the consent of its clients

prior to engaging in transactions. Please see Item 12 (“Brokerage Practices”) of this Brochure for more information.

#### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, The Advisor does not have any authority to and does not vote proxies on behalf of advisory clients at this time. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Upon request, The Advisor may provide advice to clients regarding the clients’ voting of proxies.

#### **Item 18 – Financial Information**

As a registered investment adviser that offers discretionary investment management services, The Advisor is required in this Item to disclose any financial condition that is reasonably likely to impair The Advisor’s ability to meet its contractual commitment to clients. In this regard, The Advisor is subject to no financial condition that impairs its ability to meet contractual and fiduciary commitments to clients.

The Advisor has never been the subject of a bankruptcy proceeding.

**Part 2B of Form ADV**

**Item 1 – Cover Page**

**Mr. André Luiz F. Costa MCSI, CFP®, ERP®, SCR™, FDP, CAIA®**  
**André Luiz F. Costa – Sole Proprietor**

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**January 1, 2021**

This Brochure Supplement provides information about Mr. André Luiz F. Costa MCSI, CFP®, ERP®, SCR™, FDP, CAIA® that supplements the André Luiz Ferreira da Costa – Sole Proprietor’s (“The Advisor”) brochure. You should have received a copy of that brochure. Please contact Mr. André Luiz F. Costa, Sole Proprietor, at +55(62)9 9244-2315 if you did not receive a copy of the The Advisor’s brochure, or if you have any questions about the contents of this supplement.

Additional information about Mr. André Luiz F. Costa MCSI, CFP®, ERP®, SCR™, FDP, CAIA® is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 1 – Educational Background and Business Experience**

Mr. André Luiz F. Costa serves as the Managing Director and CIO of The Advisor and is responsible for formulating investment advice and reaching investment decisions on behalf of The Advisor. Mr. Costa was born on May 26<sup>th</sup>, 1.968 in Capinópolis – MG, Brazil. Mr. Costa graduated in veterinary medicine from Universidade Federal de Goiás – UFG – Goiânia-Go Brazil in 1.992, is registered as a CTA-Commodity Trading Advisor with the CFTC and a member of the the NFA (National Futures Association) since June 2.017, is a Chartered Alternative Investments Analyst - CAIA®, Financial Data Professional Charter holder FDP Institute (by CAIA), holds a CFP® - Certified Financial Planner Designation in Brazil, Certified ERP® and SCR™ Certificate holder by the Global Association of Risk Professionals (GARP) - Certified by the Global Association of Risk Professionals (GARP) and holds an insurance broker license issued by SUSEP – Brazilian Insurance Regulator.

Mr. Costa's work experience for the past twenty years is as follows:

On March 22, 1.999 Mr. Costa founded Free Enterprise C S & Advisors Eireli a full independent insurance brokerage firm in Goiânia - Go Brazil and since then servers as its Managing Director.

On June 20, 2.017, Mr. Costa became a member of the NFA, was registered as a CTA – Commodity Trading Advisor with the CFTC and serves as its principal.

## **Item 2 – Disciplinary Information**

This item requires The Advisor to disclose information regarding certain legal or disciplinary events material to a client's or prospective client's evaluation of Mr. Costa. The Advisor has no such information to report.

## **Item 3 – Other Business Activities**

This item requires The Advisor to disclose information regarding any other investment- related businesses or occupations in which Mr. Costa is actively engaged. The Advisor has to report that Mr. Costa is register as a CTA – Commodity Trading Advisor with the CFTC and a licensed insurance broker in Brazil.

**Item 4 – Additional Compensation**

This item requires The Advisor to disclose information regarding any arrangement pursuant to which a person who is not a client provides an economic benefit (e.g., sales awards or other prizes) to Mr. Costa for providing investment advisory services. The Advisor has no such information to report.

**Item 5 – Supervision**

As Sole Proprietor of The Advisor, Mr. Costa is The Advisor's most senior officer, and the person in charge of formulating The Advisor's investment advice and recommendations, and making any investment decisions made by The Advisor on a discretionary basis. As such, there is no more senior officer of The Advisor who is supervising Mr. Costa's investment-related activities. Mr. Costa is required to conduct his investment-related activities pursuant to, and in accordance, with the written policies and procedures adopted from time to time by The Advisor.