

**Andbanc Advisory, LLC**  
1221 Brickell Avenue, Suite 1050  
Miami, FL 33131  
(305)702-0601

June 15<sup>th</sup>, 2021

**FORM ADV PART 2A**

This brochure provides information about the qualifications and business practices of Andbanc Advisory, LLC (“Andbanc” or the “Adviser”). If you have any questions about the contents of this brochure, please contact us at: (305)702-1617 or contact us by e-mail at [compliance@andbancadvisory.com](mailto:compliance@andbancadvisory.com).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority. Although we are registered with the SEC, that alone is not meant to imply that we hold a specific level of skill or training.

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

## ITEM 2 – MATERIAL CHANGES

---

In the past the Adviser has offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to SEC Rules, the Adviser will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. The Adviser will further provide other ongoing disclosure information about material changes, as necessary.

The Adviser will provide you also with a new Brochure, as appropriate, based on changes or new information, at any time, without charge. Since the Adviser's last Brochure update, the material changes set out in the following paragraph have occurred.

The Adviser has appointed Angelique Figueroa as the new Chief Compliance Officer effective as of June 1, 2021. Furthermore, the Adviser's Basic Management Fees and the Mutual Funds sections of Item 5 have been changed to clarify and expand certain disclosures. Please carefully read this section.

Currently, a copy of the Adviser's Brochure can be requested by contacting the Chief Compliance Officer by e-mail at [compliance@andbancadvisory.com](mailto:compliance@andbancadvisory.com). Additional information about the Adviser is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with the Adviser who are registered, or are required to be registered, as investment adviser representatives of the Adviser.

### **ITEM 3 - TABLE OF CONTENTS**

---

ITEM 2 – MATERIAL CHANGES .....	2
ITEM 3 - TABLE OF CONTENTS .....	3
ITEM 4 – ADVISORY BUSINESS.....	4
ITEM 5 – FEES AND COMPENSATION .....	6
ITEM 6 – PERFORMANCE-BASED FEES.....	11
ITEM 7 – TYPES OF CLIENTS.....	12
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	12
ITEM 9 – DISCIPLINARY INFORMATION .....	17
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	17
ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	19
ITEM 12 – BROKERAGE PRACTICES.....	25
ITEM 13 – REVIEW OF ACCOUNTS .....	27
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION.....	28
ITEM 15 – CUSTODY .....	28
ITEM 16 – INVESTMENT DISCRETION.....	29
ITEM 17 – VOTING CLIENT SECURITIES.....	29
ITEM 18 – FINANCIAL INFORMATION .....	30
FORM ADV PART 2B BROCHURE SUPPLEMENT .....	31

## **ITEM 4 – ADVISORY BUSINESS**

---

### **Adviser's Advisory Business**

Andbanc Advisory LLC (“Andbanc” or the “Adviser”) is an investment adviser that provides discretionary and non-discretionary investment management services to institutional and non-institutional investors. The Adviser is 100 percent owned by Andbanc Wealth Management LLC, a Florida limited liability company that is ultimately owned by Andorra Banc Agricol Reig S.A.

### **Types of Advisory Services Adviser Offers**

The Adviser provides investment advisory services to its clients through various types of discretionary and non-discretionary accounts in accordance with each client's investment

objectives. Investment activities focus on investments in various kinds of assets and securities in a variety of markets that are intended to fit within the client's objectives, strategies and risk profile as described by each client and approved by the Adviser. On an occasional basis, the Adviser furnish advice or consulting services to clients on matters not involving securities.

### **Discretionary Portfolios**

The Adviser offers discretionary management account services that are customized to each client and client risk profile type. Accounts focus on investments in specified and limited kinds of assets and securities, in limited markets, or they can be broad-based across many asset classes and markets. Such accounts are intended to fit within the investor's objectives, strategies, financial and risk profile as described by each client in accordance with the appropriate advisory agreement between the Adviser and the client. For customized portfolios, the strategies utilized can be similar to or vary widely from the core strategies typically utilized by the Adviser for non-customized discretionary portfolios, as further described in Item 8. Clients can place targets on these accounts and can restrict the types of investments made in such accounts.

Discretionary authorization will permit us to determine the specific securities and the amount of securities, to be purchased or sold for your account without obtaining your approval prior to each transaction. Discretionary authority is granted by the investment services agreement you sign with the Adviser, a power of attorney, or trading authorization forms.

### **Family Wealth Services - Investment Advisory Consulting**

The Adviser also provides a variety of non-discretionary consulting services with respect to client assets, including assets not involving securities. Adviser can assist high net worth clients in defining personal or family financial goals and objectives and supply

analysis and guidance as to the actions and investment strategies necessary to attain the selected goals and objectives. Such investment advisory consulting services do not include the implementation of investment strategies or the placement of investment orders. All guidance and investment advice is based upon the information provided by the client. Generally, the Adviser offers the client the following services:

*General:* Create or revise the Investment Policy Statement; formulate or review the asset allocation strategy; and investment manager review.

*Investments:* Review of current portfolios and proposals; determine rebalancing needs; inform about reasonable fees and costs for investment products and services; provide consolidated reporting and analysis; ongoing monitoring and re-evaluation of gaps vis-à-vis the asset allocation or Investment Policy Statement.

*Estate Planning & Ownership Issues:* Define or review succession plans; discuss incapacity or contingency plans; help establish structures or determine adjustments to existing structures; assist in the development of a network of consultants, lawyers or accountants; periodically review and re-validate estate plan; and develop a family mission statement.

*Family Protocol, Governance and Education:* Formulate or review family decision-making protocols; assist with family succession matters; facilitate, coordinate and assist in family meetings; or identify and help implement financial education programs for younger generations.

*Risk Management:* Review current risks and risk mitigation strategies; evaluation of life insurance needs; assist with liquidation events and buy/sell agreements; assist in evaluation of property and casualty or disability insurance.

All clients sign agreements detailing the services that are being provided and the costs associated with those services.

### **Non-Discretionary Investment Advisory Services**

The Adviser also provides non-discretionary investment advisory services to affluent and high net worth clients in accordance with the appropriate advisory agreement between the Adviser and the client and the client's objectives, financial situation and risk profile. Each agreement would define the services to be provided and fee agreed. The Adviser also provides recommendations and research regarding investments in securities, investment strategies, and cash equivalents. These services are individually tailored to each client's needs or risk profile for the account and such advice is provided with respect to accounts at the Adviser's affiliated banks and broker-dealers or accounts custodied with third parties.

### **Other Services**

The Adviser from time-to-time acts as a sub-adviser or engage the services of sub-advisers to assist or manage client portfolios and related funds. Such activities include but are not limited to the selection and monitoring of client portfolios, as well as asset allocation and continued analysis related to the Adviser's portfolio management services. Sub-advisers services are contracted by the Adviser at no additional cost to the client. The Adviser engages its affiliates or other related parties to act as a sub-adviser for some clients. Working with sub-advisors that are affiliates of the Adviser can introduce conflicts of interest and additional costs.

The Adviser provides additional services for clients from time to time as agreed between the client and the Adviser, in writing, including assistance in obtaining mortgage loans, new custodians, margin and other loans.

### **Types of Investments**

The Adviser offers advice on equity securities, corporate debt securities, certificates of deposit, mutual fund shares, United States government securities, options contracts on securities, money market funds, real estate investment trusts REITs, structured notes, ETFs, exchange-traded notes, variable annuities, interests in partnerships investing in real estate, proprietary and other products.

### **Wrap Fee Programs**

The Adviser does not participate in, nor is it currently a sponsor of, any wrap fee programs.

### **Investment Restrictions**

As described above, the Adviser offers an array of services and clients can select among the services that the client and the Adviser feel are suited for the client. Clients can impose reasonable restrictions on the investment advisory or management of their accounts, including restrictions in connection with particular securities, currencies, credit or other investment features. Clients should be aware that performance of restricted accounts can differ from performance of accounts without such impediments, possibly producing lower overall results and/or higher risks.

### **Regulatory Assets Under Management**

As of December 31, 2020, Adviser had assets under management of approximately \$286,391,102 managed on a discretionary basis. Additionally, the Adviser maintained approximately \$380,537,971 in assets under management on a non-discretionary basis.

## **ITEM 5 – FEES AND COMPENSATION**

---

### **Adviser's Basic Management and Advisory Fees**

The specific manner in which fees are charged by Andbanc are established in each client's written agreement with the Adviser. Generally, and pursuant to contract, fees for investment advisory services will be based upon a percentage of the total assets in the account (including margined and cash assets). All fees are negotiable. The Adviser typically receives an annual management or advisory fee, ranging from .50% for some institutional-like clients to 1.75% of the asset value of the account for other clients, subject to a minimum fee of \$500.00 per quarter. The Adviser can also enter into flat fee arrangements from time to time, including arrangements for administrative services provided to clients or client accounts. When using margin as part of the investment, the investment advisory fees are generally calculated on the net account balance (rather than the total market exposure) in order to avoid any incentive for the Adviser to use margin to potentially increase the fee paid by the client; provided, however, that if and when margin takes place at the direction and express request of the client and not that of the Adviser, the Adviser will be allowed to calculate the advisory fees on the gross account balance.

In proposing annual management and advisory fees, the Adviser considers the global relationship of the client with the Adviser and its affiliates. For example, if a client opens accounts at Pershing LLC through the Adviser's affiliated broker-dealer, Andbanc Brokerage, LLC ("Andbanc Brokerage") and is expected to engage in a certain volume of brokerage transactions subject to Andbanc Brokerage fees (including commissions, sales credits and distribution fees), the Adviser can offer its services at a reduced or discounted rate, pursuant to the Adviser's internal policies and procedures and in its sole discretion. Such discounted or reduced management or advisory fees, when available, would offset the fees or compensation payable to Andbanc Brokerage.

<b>Basic Advisory and Management Fee Schedule (Non-Institutional Clients)</b>	
<b>Account Value</b>	<b>Fee Percentage</b>
Up to \$500,000	1.75%
\$500,000 to \$1,000,000	1.50%
\$1,000,000 to \$5,000,000	1.00%
\$5,000,000 to \$20,000,000	.75%
\$20,000,000 to \$50,000,000	.60%
Over \$50,000,000	.50%

By way of example, an account with a constant month-end value of \$500,000 throughout the year and an agreed 1.50% advisory fee rate would result in \$7,500 per year or \$1,875 billed quarterly (excluding the effect of the actual number of days in the calculation period)

In addition, some portfolios of qualified or non-US investors can also have variable performance fee of up to 20% (see the Performance-Based Fees section).

Furthermore, the Adviser can agree to enter into compensation arrangements in which clients are assessed a minimum quarterly fixed fee established under the assumption

that the Adviser will dedicate up to a maximum number of man-hours per quarter to be agreed upon with the client in writing. In the event that the actual amount of time dedicated by the Adviser exceeds the maximum number of agreed man-hours during any three- or twelve-month period, the Adviser will modify the fixed advisory fee (prospectively) upon consultation and written agreement with the client.

Performance fees will not be assessed in connection with investments made through the Adviser's affiliated investment entities if such entities charge their own performance fees.

A client will pay more or less fees than similar clients depending on the particular circumstances of the client, size, additional or differing levels of servicing or as otherwise agreed with specific clients. Clients that negotiate fees, including a flat fee, can end up paying a higher fee as a result of fluctuations in the client's assets under management and account performance. In some instances, depending on the fees agreed with specific clients, the same or similar services to those described herein are available elsewhere to the client at a lower cost.

### **Calculation and Deduction of Advisory Fees**

Unless otherwise expressly agreed with the client, investment advisory and management fees are billed quarterly, in arrears, meaning that the Adviser will charge such fees "After" the quarterly billing period has "Ended". By signing the Adviser's Investment Services Agreement, clients agree to have the Adviser deduct the advisory fees directly from the clients' custody account(s) that it manages or advises, including accounts opened at Pershing LLC through Adviser's affiliated broker-dealer, Andbanc Brokerage LLC. Hence, advisory fees will be automatically debited from the client account(s) according to the quarterly management fee billing cycle. If the client makes appropriate arrangements with the custodian, the client can pay for the advisory fees from an account other than the advised or managed account(s).

Advisory fees are calculated based on actual number of days in the year. At the end of every calendar quarter, the Adviser will calculate advisory fees based on a percentage of the total assets in the account as follows

- **Assets Under Management.** The month-end account value(s) for the three months in the quarter will be obtained from the client's custody account(s), and the average of these values shall be calculated.
- **Method of Fee Calculation.** The advisory fee is calculated by multiplying your annual fee by a fraction, the numerator of which is the actual number of days in the quarter and the denominator the actual number of days in the year, and further multiplied by the average balance value calculated as described in the preceding paragraph, **subject to a minimum fee of \$500.00 per quarter.**
- **Payment method.** Unless otherwise agreed, the fee will be directly and automatically deducted from the client's account(s).



In calculating the Assets Under Management, the Adviser relies on the statements and valuation methods of the client's custodian and does not perform an independent verification of such assets. In the case of bonds and other assets with coupons, their valuation will be based on "dirty prices," meaning that they include accrued interest up to the day of valuation. Other products such as structured notes are sometimes valued according to theoretical models.

Please note that even though custodians produce statements that show the value of the Assets Under Management and deduct the advisory fees, they do not check the Adviser's calculations regarding such fees.

Advisory fees for accounts opened or closed during a calendar quarter will be prorated based on the number of days in the quarter that accounts were opened and subject to the investment services agreement with the Adviser. For account closure requests, please note that as per the Investment Services Agreement Adviser requires 30-day prior notice in writing from clients, such period starting on the date the notice is effectively received by Adviser and ending 30 calendar days thereafter. Adviser will calculate and charge advisory fees up to the last day of a client's 30-day notice period. The prorated fee calculations will be based on the average of the most recent month-end balances available to the Adviser since the last calendar quarter. In the case of cancellation of an investment advisory agreement, the Adviser will calculate and charge (or bill as appropriate) advisory fees shortly upon receipt of the cancellation notice.

Furthermore, with respect to all clients, the Adviser's fees are calculated after deduction of brokerage commissions, transaction fees, and other related costs and expenses (commonly referred to as "Other Fees and Expenses"), which shall be incurred by the client.

## **Mutual Funds**

Fees paid to the Adviser for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders, including, but not limited to, management fees and other fund expenses, distribution fees, and initial or deferred sales charges.

Mutual funds generally offer multiple share classes for investment based upon certain eligibility and/or purchase requirements. In addition to retail share classes (typically referred to as class A, class B and class C shares), mutual funds may also offer institutional share classes or other share classes that are specifically designed for purchase by investors who meet certain specified eligibility criteria, including minimum dollar amount thresholds for enrollment in an eligible fee-based investment advisory program. Institutional share classes usually have a lower expense ratio than retail share classes. For example, retail share classes typically pay distribution fees pursuant to Rule 12b-1 under the Investment Company Act of 1940 ("12b-1 fees") to broker-dealers and investment advisers while institutional share classes do not. The 12b-1 fees are deducted from the mutual fund's assets on an ongoing basis and paid to the fund's

distributor or principal underwriter, which generally remits the 12b-1 fees to the broker-dealer or adviser that distributed or sold the shares. Consequently, institutional or other share classes that do not pay 12b-1 fees are less expensive for clients.

The Adviser does not currently receive 12b-1 fees or similar distribution fees directly from mutual funds. However, its affiliated broker-dealer, Andbanc Brokerage does receive 12b-1 fees and similar fees in connection with the sale of certain share classes of mutual funds. Clients should be aware that 12b-1 fees and similar financial incentives create a conflict of interest for the Adviser because of the relationship between the Adviser and Andbanc Brokerage. In instances where both funds that pay and funds that do not pay 12b-1 fees are available, the Adviser and its investment adviser representatives have a financial incentive to recommend that the Adviser's client to invest in the fund that pays 12b-1 fees. Similarly, in instances where a fund has available to the Adviser's clients for investment both a higher cost share class that pays 12b-1 fees and a less costly share class that does not pay such fees or pays lower fees, the Adviser and its investment adviser representatives will have a financial incentive to recommend that the Adviser's client to invest in the higher cost share class. Accordingly, clients should not assume that the Adviser will recommend that they invest in the fund or share class with the lowest possible expense ratio that the fund provider makes available to the public. The Adviser seeks to mitigate this risk through its written supervisory policies and procedures that address conflicts of interest, periodic trainings of its investment adviser representatives and reviews of the mutual fund trading activities conducted through Andbanc Brokerage. Such measures emphasize the provision of investment recommendations and services that are consistent with the Adviser's fiduciary duties and clients' investment mandates.

The appropriateness of a particular mutual fund share class selection for an investor depends upon a range of different considerations, including, but not limited to: the asset-based advisory fee that is charged; whether transaction charges are applied to the purchase or sale of shares of available classes; the overall cost structure of the advisory program; operational considerations associated with accessing or offering particular share classes (including the presence of selling agreements with the mutual fund sponsors and the Adviser's ability to access particular share classes through the custodian); share class eligibility requirements; and the availability of revenue sharing distribution fees, shareholder servicing fees or other compensation associated with offering particular share classes.

The mutual fund fees, including those assessed by different mutual fund share classes, are described in each fund's prospectus.

Please contact the Adviser for more information about fund costs and share class eligibility.

### **Other Fees and Expenses**

The Adviser's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. The impact of markups and mark-downs shall also be incurred by the client. Clients incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. All such charges, fees and commissions are in addition to the Adviser's fee, and the Adviser shall not receive any portion of these commissions, fees, and costs. In certain cases, however, the Adviser's related persons, including its affiliated broker-dealer, can receive all or a portion of these fees and costs. (See items 10 and 12 for further details on related parties).

Item 12 further describes the factors that the Adviser considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g. transaction costs).

### **Compensation for the Sale of Securities**

Some of the Adviser's supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges, 12b-1 fees or service fees from the sale of mutual funds, in their individual capacities as registered representatives of Andbanc Brokerage. Supervised persons of the Adviser not registered with Andbanc Brokerage do not receive such compensation in connection with accounts managed or advised by the Adviser.

### **Past Due Accounts and Termination of Agreement**

The Adviser reserves the right to stop work on any account that is more than 30 days overdue. In addition, the Adviser reserves the right to terminate any financial planning engagement and advisory services where a client has willfully concealed or has refused to provide pertinent information about financial or anti-money laundering situations when necessary and appropriate. Any unused portion of fees collected in advance will be refunded within 30 days.

## **ITEM 6 – PERFORMANCE-BASED FEES**

---

The Adviser charges a management or advisory fee. In some cases, it agrees to charge a variable performance fee in addition to a minimum fixed fee. The Adviser structures performance fee arrangements subject to Section 205(a)(1) of the Adviser's Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. Such variable performance fees will generally be between 5.00% to 20.00%. Performance fees are individually negotiated with each client and will be subject to a High-Water Mark. Typically, the performance fee will be computed quarterly or annually in arrears and will be based on the value of the "Property" (as such term is defined in the Investment Services Agreement) in excess of an annual hurdle rate agreed with the client. In addition and as part of this compensation structure, the

Adviser charges an annual minimum fixed fee, payable quarterly in arrears, which will be negotiated with clients and will be applied irrespective of whether there is appreciation in the value of the Property. Please see Section 5 for details of the calculation of this minimum fixed fee.

The term “High-Water Mark” shall mean that no performance fee will be paid for recoupment of losses. Thus, if the net asset value of the Account (excluding the performance fee and net money in or out unrelated to investments) at the end of a calculation period falls below the net asset value at the end of any previous calculation period during the life of the account, no performance fee will be owed to the Adviser for the calculation period then ended. The Adviser will only be entitled to a further performance fee once the net asset value of the account (excluding net money in or out unrelated to investments) exceeds the highest net asset value of the Property for all previous calculation periods. The High-Water Mark is adjusted for contributions to and withdrawals from the account. Each client is provided with additional information on the fees payable regarding their account, including with respect to the High-Water Mark, in their advisory agreement and related documents. The terms of the High-Water Mark vary depending on the terms of the advisory agreement entered into between the client and the Adviser

Performance based fee arrangements create an incentive for the Adviser to recommend investments which can be riskier or more speculative than those which would be recommended under a different fee arrangement. Performance fee arrangements also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. The Adviser has procedures designed and implemented to ensure that all clients are treated fairly, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

The Adviser has clients with similar investment objectives. The Adviser is permitted to make an investment decision on behalf of clients that differs from decisions made for, or advice given to, such other accounts and clients even though the investment objectives are the same or similar, provided that the Adviser acts in good faith and follows a policy of allocating, over a period of time, investment opportunities on a basis intended to be fair and equitable, taking into consideration the investment policies and investment restrictions to which such accounts and clients are subject.

## **ITEM 7 – TYPES OF CLIENTS**

---

The Adviser provides portfolio management and advisory services to individuals, corporations and other entities. The minimum dollar value for establishing an account is generally \$1,000,000. Initial investments of a lesser amount are accepted on a case-by-case basis at the Adviser’s discretion.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

---

## **General Investment Description and Methods of Analysis**

The Adviser analyzes the securities and other investment products it offers utilizing charting, fundamental, technical and other methods. Depending on the risk profile, the Adviser's investment strategies used to implement discretionary investment advice given to clients can include long term positions (securities and other investment products normally held at least a year), short term, tactical positions, high risk strategies as short sales, margin transactions, derivatives, leveraged positions, and investments in emerging markets. For the purposes of identifying various objective parameters, the Adviser has created various ranges of risk/reward strategies to address clients' investment objectives. The Adviser is structured as an open architecture platform. The Adviser, in coordination with the Adviser's affiliates, performs due diligence on third party managers and product providers. The Adviser reviews analyzes and supplements due diligence as necessary and makes an independent determination as to whether to approve a manager or product for client accounts.

The Adviser has arrangements with third party service providers through which the Adviser receives general macroeconomic analyses of economies, currencies, markets and market sectors. Such third parties provide due diligence on other investment advisers which the Adviser can recommend to its clients, research reports on specific securities, sample asset allocations and administrative services. The Adviser uses such information and services as a tool and the Adviser also performs its own research and due diligence on advisers and investment opportunities. The Adviser makes investment allocation decisions based on each client's investment objectives and risk tolerance, among other factors. The Adviser identifies, structures, monitors, invests and liquidates investments in discretionary accounts. The design and day-to-day management of client portfolios in these accounts is determined by the Adviser through the assigned portfolio manager. Such third-party service providers do not have access to or knowledge of information concerning the specific investment decisions and recommendations made to the Adviser's clients.

Through the Adviser's global strategy, the Adviser seeks long term asset preservation and capital appreciation of clients' portfolios by customizing asset allocations and selecting investment assets and vehicles that it believes will align clients' risk / return expectations with long term and short-term investment needs and goals. The asset class allocations forecasts and expectations are analyzed and investments made in various financial instruments, which typically can include equity, fixed income, commodities, mutual funds, ETFs, real estate investment trusts ("REITs"), master limited partnerships ("MLPs") (publicly traded partnerships), structured products and alternative investments. The Adviser will select and monitor the investment vehicles for each asset class in the portfolios based on their history and prospective risk and return characteristics, and determine suitability for each client's needs, as well as, estimated fees and expense.

Other sources of information that the Adviser uses include research prepared by Andorra Banc Agricol Reig, S.A. or its affiliates, and other financial institutions.

### **Material Risks for Significant Investment Strategies**

While it is the intention of the Adviser to implement strategies that are designed to keep potential losses in synch with the client's risk tolerance, there can be no assurance that such strategies will be successful. It is possible that a client can lose a substantial proportion or all of its assets in connection with investment decisions made by the Adviser. The following paragraph offers a discussion of typical risks for the Adviser's clients, but it does not purport to be a complete explanation of the risks involved with the Adviser's investment strategies.

There is no guarantee that in any time period, particularly in the short term, a client's portfolio will achieve appreciation in terms of capital growth or that a client's investment objective will be met by the Adviser.

The value of the securities in which the Adviser invests on behalf of its clients can be volatile. Price movements result from factors affecting individual companies, sectors or industries that influence certain strategies or the securities market as a whole. Furthermore, a client will be subject to the risk that inflation, economic recession, changes in the general level of interest rates or other market conditions over which the Adviser will have no control can adversely affect investment results.

The Adviser notes that while the Adviser's management of accounts does not generally involve direct leveraging, short selling or other risk factors discussed below, the underlying mutual funds and other investments that comprise client accounts can engage in these practices thus materially impacting the performance of such fund or investment, which in turn can materially impact the value of the Adviser's clients' portfolios.

#### **Hedging transactions can increase risks of capital losses.**

Unless otherwise agreed with the client or permitted by the client's risk profile, the Adviser does not typically hedge client accounts directly, which can create more risk as well as opportunities for greater returns. Funds and other investment products in which the Adviser invests clients' accounts can utilize a variety of financial instruments, such as options, for risk management purposes. While hedging transactions seek to reduce risk, such transactions can result in a worse overall performance. The Adviser will not always invest in funds or other investment vehicles that utilize hedging strategies.

#### **Leverage**

The funds and other investment products in which client portfolios are invested can engage in investment strategies that constitute leverage. Such strategies include the borrowing and short selling of securities, bonds, foreign exchange and the acquisition and disposal of certain types of derivative securities and instruments, such as swaps, futures and options. While leveraging creates an opportunity for greater total returns it



also exposes a client to a greater risk of loss arising from adverse price changes. Where leverage is indirect (e.g., used by a fund manager for a fund in which the Adviser's client is invested) a sharp decrease in the value of the investment can have a significant impact on a client's portfolio.

#### Liquidity of investment portfolio

The market for some securities in which the Adviser invests on behalf of its clients, can be relatively or highly illiquid. Liquidity relates to the ability to sell an investment in a timely manner. The market for relatively illiquid securities tends to be more volatile than the market for more liquid securities. Investments in relatively illiquid securities restrict the ability of a fund or portfolio manager to dispose of investments at a price and time that it wishes to do so. The risk of illiquidity also arises in the case of over-the-counter transactions. There is no regulated market in such contracts and the bid and offer prices will be established solely by dealers in these contracts. Client accounts that are invested in funds or other instruments that contain illiquid investments are subject to these risks.

#### Foreign currency markets

The Adviser's investment strategies in foreign currency will cause a client to be exposed to fluctuations in currency exchange rates where it invests directly or indirectly in securities denominated in currencies other than U.S. dollars or the currency of reference for the client. Unless otherwise agreed with the client or permitted by the client's risk profile, the Adviser does not engage in direct foreign currency trading. However, the underlying funds and other investment vehicles can engage in direct foreign currency trading. The markets in which foreign exchange transactions are effected are highly volatile, highly specialized and highly technical. Significant changes, including changes in liquidity and prices, can occur in such markets within very short periods of time, often within minutes. Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment, or particular transactions in foreign currency.

#### Derivatives

The Adviser's investment strategy can cause a client to be exposed to derivatives including instruments and contracts the value of which is linked to one or more underlying securities, financial benchmarks or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, index, currency or interest rate at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives trading. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can result not

only in the loss of the entire investment, but also expose a client to the possibility of a loss exceeding the original amount invested.

### Settlement risks

The Adviser's investment strategies can expose a client to the credit risk of parties with whom the Adviser, on behalf of the client or the underlying funds, trades and to the risk of settlement default. Market practices in the emerging markets in relation to the settlement of securities transactions and custody of assets will provide increased risk. Although the emerging markets have grown rapidly over the last few years, the clearing, settlement and registration systems available to affect trades on such markets are significantly less developed than those in more mature world markets which can result in delays and other material difficulties in settling trades and in registering transfers of securities. Problems of settlement in these markets affect the net asset value and liquidity of a client's portfolio or investments in such portfolios.

### Short selling

The Adviser typically will not directly engage in short selling in client accounts. However, the Adviser can invest in funds and other securities on behalf of its clients that sell securities of an issuer short. Short selling by a fund manager can significantly impact the value and volatility of a fund held in a client's account.

Generally, the short position can be covered with securities purchased in the market. The profit or loss realized on a short sale will be the difference between the price received in the sale and the cost of the securities purchased to cover the sale. The possible losses from selling short securities differ from losses that could be incurred from a cash investment in the security; the former can be unlimited, whereas the latter can only equal the total amount of the cash investment. Short selling activities are also subject to restrictions imposed by the various national and regional securities exchanges, which restrictions could limit investment activities.

### Emerging Markets

The Adviser's investment strategies include direct and indirect investments in securities in emerging markets and such investments involve special considerations and risks. These include a possibility of nationalization, expropriation or confiscatory taxation, foreign exchange control, political changes, government regulation, social instability or diplomatic developments which could affect adversely the economies of such countries or the value of a client's investments, and the risks of investing in countries with smaller capital markets, such as limited liquidity, price volatility, restrictions on foreign investment and repatriation of capital, and the risks associated with emerging economies, including high inflation and interest rates and political and social uncertainties. In addition, it can be difficult to obtain and enforce a judgment in a court in an emerging country. The economies of many emerging market countries are still in the early stages of modern development and are subject to abrupt and unexpected change.



In many cases, governments retain a high degree of direct control over the economy and can take actions having sudden and widespread effects. Investments in products of emerging market also can become illiquid and constrain Adviser's ability to realize some or all of a client's portfolio holdings. Accounting standards in emerging market countries are not as stringent as accounting standards in developed countries.

### Investment Concentration

Some client accounts can have a high concentration in one sector, industry, duration, issuer or security that subject such accounts to greater risk of loss in the event such investments take an economic downturn.

### Credit Risk

The Adviser's investment strategies can expose a client to credit risk in circumstances where an issuer of a debt security suffers an adverse change in financial condition that results in the issuer not making timely payments of interest or principal, security downgraded or inability to meet a financial obligation. The Adviser invests or issues investment proposals that contain investment grade, non-investment grade and unrated securities. Credit risk is greater for lower-rated securities.

### **Material Risks for Particular Types of Securities**

The Adviser does not invest primarily in a specific security or type of security. The material risks involved with investing are described above.

## **ITEM 9 – DISCIPLINARY INFORMATION**

---

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of an adviser or the integrity of the adviser's management. The Adviser has no information applicable to this Item except as otherwise set out in Part 2B.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

---

### **Broker-Dealer Registration**

The Adviser is not registered with the Securities and Exchange Commission (SEC) as a broker-dealer. Some of the Adviser's management persons are registered representatives of the Adviser's affiliated broker-dealer, Andbanc Brokerage LLC.

### **Commodity Pool Operator, Commodity Trading Adviser, Futures Commission Merchant Registration**

Neither the Adviser nor any of its management persons are registered with the Commodity Futures Trading Commission ("CFTC") as a futures commission merchant

("FCM"), a commodity pool operator ("CPO") or a commodity trading advisor ("CTA") or an associated person of the foregoing entities.

### **Other Material Relationships**

The Adviser has relationships with its affiliates including but not limited to Andbanc Brokerage that are material to its advisory business and its clients and cause conflicts of interest. Generally, the Adviser will execute securities transactions through Andbanc Brokerage or its affiliates. In some cases, Andbanc Brokerage acts as the broker for the client's account in equity, and in fixed income securities on an agency or riskless principal basis. Subject to the investment services agreement with the client, Andbanc Brokerage will act as broker for the client's account in equities, derivatives and investment products, including investment and mutual funds, "indexed" or "structured" products. In all the above cases, Andbanc Brokerage and/or its affiliates will receive fees and other compensation in the form of mark-ups and markdowns, management fees, placement fees, sales charges, redemption fees, structuring fees, distribution fees, 12b-1 fees, other trailer fees from the products traded and/or managed, as well as from third-party products. In addition, clients that purchase these products through their accounts are charged a fee by Andbanc Brokerage at the account level and also indirectly charged a management fee and/or performance fee by the managers of the investment funds.

The Adviser believes that using Andbanc Brokerage will be in the best interest of its clients. However, because of the affiliation with the Adviser, Andbanc Brokerage's markups, markdowns or spreads are not negotiated freely. Accordingly, transactions through Andbanc Brokerage can result in higher spreads, costs or less favorable net prices than might be the case if the Adviser freely negotiated such costs or spreads, or selected broker-dealers on a competitive basis.

In addition, as more fully described in the Brokerage Practices, the Adviser also monitors the execution capabilities of other broker-dealers in relation to those of Andbanc Brokerage to judge the range and quality of the professional services provided by such firms, and Adviser can choose to use other broker-dealers in lieu of Andbanc Brokerage.

The Adviser has arrangements that are material to its advisory business or its clients with related persons who are banking or thrift institutions (e.g. Andorra Banc Agricol Reig S.A., Andbanc España), broker-dealers (e.g. Quest Wealth Advisers, Inc, Andbanc Brokerage LLC), investment companies (e.g. Latam Credit Opportunity Fund, APWIA Fund SPC Ltd., or the And Asset Allocation Fund Segregated Portfolio), asset managers (e.g. Columbus de Mexico S.A. de C.V.), other investment advisors, commodity pool operators, commodity trading advisers or futures commission merchants. The Adviser has no personnel registered as securities representative with a third-party broker dealer.

Unless otherwise directed by the client or the custodian, the Adviser will place clients' securities trades with its affiliate Andbanc Brokerage, in which case this affiliate will execute and receive compensation in the form of mark-ups, mark-downs, distribution and other fees. The use of these and other affiliates introduces conflicts of interest.

The Adviser also has a relationship with Andorra Banc Agrícola Reig, S.A. (the "Bank") that can be material to the Adviser's advisory business and its clients because the Bank acts as the qualified custodian for certain client accounts. The Adviser has policies and procedures in place to comply with the requirements of Rule 206(4)-2 of the Adviser's Act that are applicable to the Bank's role as qualified custodian for client accounts. Another material relationship with an affiliate is that of the Adviser with the APWIA Fund SPC Ltd. and the And Asset Allocation Fund Segregated Portfolio, both proprietary investment funds by virtue of their use of the Adviser's affiliates in a custodial, administrative or investment adviser capacity.

The use of the Adviser's affiliates and proprietary products creates conflicts of interest that clients need to understand as they can adversely affect the costs and fees incurred, the performance of an account or portfolio, the depth of services received, or the objectivity of certain decision-making processes.

In addition to the multiple conflicts of interest emanating from the use of the Adviser's affiliates, there are other conflicts of interest that clients need to be aware of, including (a) incentives to recommend high margin products such as structured products, (b) added resistance to discount fees when clients are introduced by a solicitor with whom the Adviser has an agreement pursuant to which the solicitor receives a portion of the advisory fees, (c) recommending investment funds that generate higher 12b-1 or other fees, (d) compensation incentives that induce clients to increase the Assets Under Management, and (e) incentives to take higher risks as a result of performance fee arrangements.

## **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

---

### **Code of Ethics and Personal Trading Policies**

The Adviser has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 of the Investment Advisers Act of 1940 that permits investment personnel to invest in securities, including securities that are purchased or held by the Adviser's clients, for their own accounts. The Code governs the investment in securities by personnel designated as Access Persons and Covered Persons of the Adviser. The purpose of the Code is to assure that personal transactions do not conflict with client transactions and that in any situation where the potential for conflict exists, client interests take precedence.

The Code states that Access Person (as defined in the Code) can engage in personal securities transactions. Such transactions raise potential conflicts of interest when such

persons trade in a security that is owned by a client or considered for purchase or sale for a client. The Adviser has adopted policies and procedures that are intended to ensure

that transactions are affected for clients in a manner that is consistent with the fiduciary duty and in accordance with applicable law. The Adviser's associated persons who wish to purchase or sell securities of the types purchased or sold for clients can do so only in a manner consistent with the Adviser's policies and procedures. Employee trading is monitored by the Adviser's Chief Compliance Officer in an effort to prevent conflicts of interest between the Adviser and its clients.

In addition, Covered Persons must report any violations of the Code (including the Policies, as defined in the Code) to the Adviser's Chief Executive Officer/Chief Compliance Officer in addition to any other persons named in the Policies. Covered Persons are required on an annual basis to review the Code (including the Policies) and complete and sign an acknowledgment of understanding of and compliance with the Code. Access Persons must provide a report of securities holdings to the Chief Compliance Officer upon first becoming an Access Person, and periodically thereafter. The Adviser will provide a copy of the Code to any client or prospective client upon request.

### **Participation or Interest in Client Transactions and Associated Conflicts of Interest**

When Andbanc Brokerage is acting as a broker with respect to a fixed income transaction executed for a client of the Adviser, it will generally act on a riskless principal basis rather than on an agency basis. A riskless principal transaction refers to a transaction where Andbanc Brokerage, after receiving an order to buy (or sell) a security for a client, purchases (or sells) the security for its own account to offset a contemporaneous sale to (or purchase from) the client. In such instances, the Adviser is required to disclose to its discretionary advisory clients in writing before the completion of such transaction the capacity in which it was acting and to obtain written consent of advisory clients for such transactions. Andbanc Brokerage charges a mark-up or mark-down in riskless principal transactions. Equity and options transactions are generally executed on an agency basis but can be executed on a riskless principal basis using the same procedures and equivalent pricing as for fixed income securities. Agency trades are subject to fees or transaction costs.

From time to time, Andbanc Brokerage engages in agency cross transactions for the Adviser's clients. An agency cross transaction occurs when Andbanc Brokerage acts as broker for both the Adviser's advisory clients and for other customers of Andbanc Brokerage on the other side of the transaction. Agency cross transactions will be executed only after obtaining prospective written consent from the advisory client. The Adviser does not advise both the seller and purchaser with regard to an agency-cross transaction.

Andbanc Brokerage engages from time to time in so-called “cross transactions” in which it affects trades between the Adviser’s advisory client accounts. Andbanc Brokerage will only effect such transactions to the extent that it is able to achieve “best execution” for each client.

The Adviser recommends or invest in securities, including funds, issued or managed by its affiliates (or where the affiliate acts as general partner) in which its affiliates have a material financial interest. The Adviser has policies that require personnel who develop advice and recommendations for clients to render only disinterested and impartial advice to clients and to comply with other fiduciary obligations, including having an adequate basis for recommendations and an obligation to recommend only investments that are suitable for a particular client.

In addition, the Adviser and its affiliates from time to time perform certain services for, or solicit business from, a variety of companies, including issuers of securities that the Adviser recommends for purchase or sale by, or effect transactions for the account of, the Adviser’s clients. In connection with providing these services, the Adviser and its directors, officers or employees and other affiliates can come into possession of material nonpublic and other confidential information that if disclosed might affect an investor’s decision to buy, sell or hold a security. Under applicable law, the Adviser and such persons and affiliates are prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, regardless of whether such other person is a client of the Adviser. Accordingly, should the Adviser or any such persons or affiliates come into possession of material nonpublic or other confidential information with respect to any company, they will be prohibited from communicating such information to their clients, and the Adviser will have no responsibility or liability for failing to disclose such information to its clients as a result of following its policies and procedures designed to comply with applicable law.

### **Investments in Securities by the Adviser and its Personnel**

The Adviser’s personnel or a related person can invest in the same or similar securities and investments as those recommended to or entered into on behalf of the Adviser’s clients. The results of the investment activities of the Adviser’s personnel or related persons for their accounts can differ from the results achieved by or for client accounts managed or advised by the Adviser. The conflicts raised by these circumstances are discussed below.

The Adviser can recommend or effect the purchase or sale of securities in which its related persons or an affiliate, directly or indirectly, has a position or interest, or of which related or affiliated person buys or sells for itself.

Activities and transactions for client accounts can be impaired or effected at prices or terms that are less favorable than would otherwise have been the case had the Adviser or related persons not pursued a particular course of action with respect to the issuer of the securities. In addition, in certain instances the Adviser’s personnel can obtain

information about the issuer that could limit the ability of such personnel to buy or sell securities of the issuer on behalf of client accounts.

Transactions undertaken by the Adviser's clients can adversely impact one or more client accounts. Other clients of the Adviser can have, as a result of receiving client reports or otherwise, access to information regarding Adviser's transactions or views that affect their transactions outside of accounts controlled by the Adviser, and such transactions can negatively impact other clients' accounts. A client's account can also be adversely affected by cash flows and market movements arising from purchase and sale transactions by, as well as increases of capital in and withdrawals of capital from, other clients' accounts. These effects can be more pronounced in less liquid markets.

The results of the investment activities of a client's account can differ significantly from the results achieved by Advisers related persons and from the results achieved by the Adviser for other client accounts. As more fully described above, the Adviser has adopted a Code of Ethics. Such Code of Ethics together with the Advisers' policies and procedures regulate the ability of certain officers and employees of the Adviser to engage in securities transactions in securities that its clients have purchased, sold or considered for purchase or sale. Other restrictions and reporting requirements are included in the Adviser's procedures and Code of Ethics to minimize or eliminate conflicts of interest.

### **Trading Alongside by the Adviser and its Personnel**

Client accounts managed by the Adviser can trade in the same or similar securities at or about the same time as accounts managed or advised by affiliates of the Adviser. Investments by the Adviser's affiliates and their clients can have the effect of diluting or otherwise disadvantaging the values, prices or investment strategies of a client's account, particularly in small capitalization, emerging market or less liquid strategies.

This occurs when portfolio decisions regarding a client's account are based on research or other information that is also used to support portfolio decisions for the Adviser's affiliates. If a portfolio decision or strategy for the Adviser's affiliates' accounts or the accounts of clients of affiliates is implemented ahead of, or contemporaneously with, similar portfolio decisions or strategies for the Adviser's client's account, market impact, liquidity constraints, or other factors could result in the account receiving less favorable trading results and the costs of implementing such portfolio decisions or strategies could be increased.

Advisory personnel who are registered representatives of Andbanc Brokerage can receive transaction costs and fees for recommending transactions to brokerage customers of Andbanc Brokerage that are higher than the fees earned for recommending or directing such transactions for clients of the Adviser. The Adviser's policies require personnel who develop advice and recommendations for clients to



render only disinterested and impartial advice to clients and to comply with other fiduciary obligations.

### **Hedging of Advisory Revenues**

The Adviser from time to time can enter into transactions for its own account for the purpose of hedging its gross revenues. This means that the Adviser determines in good faith that stock or other markets are at elevated price levels and make a decision, upon the unfolding of a potential or actual market correction, to use option or other strategies to hedge the effect that significantly lower asset prices will have on the assets under management and, hence, its gross revenues. This hedging activity is a short term strategy to compensate potentially lower revenues of the Adviser, and under no circumstances should be construed as part of the Adviser's market views that support its investment recommendations for clients' portfolios, which tend to have much longer investment horizons.

### **Reporting Violations**

All Supervised Persons (any officer, director, partner and employee of the Adviser) are required to report actual or known violations or suspected violations of the Adviser's Code promptly to the Chief Executive Officer, Chief Compliance Officer, or their designee.

Any report of a violation or suspected violation of the Code will be treated as confidential to the extent permitted by law.

As part of the Adviser's obligations to conduct an annual review of all of its policies and procedures pursuant to Rule 206(4)-7 of the Advisers Act, the Chief Compliance Officer or his/her designee shall review on an annual basis the adequacy of the Code and the effectiveness of its implementation.

### **Recordkeeping**

Adviser maintains the following:

- Copies of the Code;
- Records of violations of the Code and actions taken as a result of the violations;
- Copies of the Adviser's supervised persons' written acknowledgement of receipt of the Code;
- Records of Access Persons' personal trading — Initial Holdings Reports, Annual Holdings Reports, and Quarterly Transaction Reports, including any information provided under Rule 204A-1(b)(3)(iii) in lieu of such reports, i.e., brokerage confirmations and transaction reports, U4 / U5 reports;
- A record of the names of the Adviser's "Access Persons";

- Records of decisions, and the reasons supporting the decision to approve an Access Person's acquisition of securities in initial public offerings or limited offerings; and
- Records of decisions, and the reasons supporting the decision to approve the Chief Compliance Officer's acquisition of securities in initial public offerings or limited offerings.

### **Acknowledgement of the Code**

Each employee will execute a written statement certifying that the employee has (i) received a copy of the Adviser's Code; (ii) read and understood the importance of strict adherence to such policies and procedures; and (iii) agreed to comply with the Code.

### **Training and Education**

All Supervised Persons, i.e., all employees, are to receive training on complying with the Code on an annual basis as part of the Adviser's annual employee compliance review meeting to ensure that all employees fully understand their duties and obligations and how to comply with the Policy's procedures.

### **Copies of the Adviser's Code**

A copy of the Adviser's Code is available upon request. For a copy, please contact Adviser at [compliance@andbancadvisory.com](mailto:compliance@andbancadvisory.com).

### **Errors**

Errors can occur from time to time in transactions for client accounts. The Adviser will generally correct any such errors that are the fault of the Adviser at no cost to the client, other than costs that the Adviser deems immaterial. In correcting any errors that are the fault of the Adviser, the Adviser can repurchase the securities from the client. To the extent that the subsequent sale of such securities generates a profit to the Adviser or an affiliate, the Adviser or the affiliate retains such profits, and can, but is not required to, use such profits to offset errors in the future or pay other client-related expenses. The Adviser will not be responsible for any errors that occur that are not the fault or within the control of the Adviser.

### **Privacy Policy**

The Adviser considers client privacy of utmost importance and concern. Information on the Adviser's privacy policy is provided in the Adviser's privacy policy notice given to clients at account inception and on an annual basis.

For more information about Adviser's privacy policies or to request a brochure describing the Adviser's privacy policies contact Adviser at [compliance@andbancadvisory.com](mailto:compliance@andbancadvisory.com).



## **ITEM 12 – BROKERAGE PRACTICES**

---

### **Broker-Dealer Selection**

Unless otherwise restricted by the client or the custodian, the Adviser executes securities transactions through Andbanc Brokerage when it believes that using this affiliated broker-dealer will be in the best interest of its clients. However, because of such affiliation, Andbanc Brokerage's costs, rates or spreads are not negotiated freely. Accordingly, transactions through Andbanc Brokerage can result in higher costs, greater spreads, or less favorable net prices than might be the case if the Adviser freely negotiated such costs or spreads, or selected broker-dealers on a competitive basis. Andbanc Brokerage charges fees or markups/mark-downs on transactions executed for Adviser's clients subject to the conditions described herein. The foregoing notwithstanding, the Adviser will monitor the execution capabilities of broker-dealers it uses on an ongoing basis and can direct client securities transactions to other broker-dealers as appropriate.

In arranging for the purchase and sale of portfolio securities of Adviser's clients, Andbanc Brokerage takes numerous factors into consideration. These include any legal restrictions, such as those imposed under the securities laws, and any client-imposed restrictions. Within these constraints, Andbanc Brokerage employs or deals with members of the securities exchanges and other brokers and dealers as it deems appropriate in its judgment to implement the policy of obtaining best execution (i.e., prompt and reliable execution at the most favorable prices obtainable under the prevailing market conditions) of portfolio transactions.

In the event that the Adviser seeks the services of other registered brokers or dealers, the Adviser will, in determining the abilities of a broker or dealer to obtain best execution of portfolio transactions, consider all relevant factors, including the execution capabilities required by the transactions; the ability and willingness of the broker or dealer to facilitate the accounts' transactions by participating therein for its own account; the importance of speed, efficiency and confidentiality; the broker or dealer's apparent familiarity with sources from or to whom particular securities might be purchased or sold; the reputation and perceived soundness of the broker or dealer; as well as other matters relevant to the selection of a broker or dealer. The Adviser does not adhere to any rigid formula in making the selection of the applicable broker or dealer for portfolio transactions but weighs a combination of the preceding factors. Accordingly, the Adviser will not necessarily pay the lowest fees or costs. Transactions that involve specialized services on the part of the broker or dealer involved entail higher fees and costs than would be the case with other transactions requiring more routine services.

### **Research and Other Soft Dollar Benefits**

The Adviser currently has no written soft dollar agreements. The Adviser will generally execute securities transactions through Andbanc Brokerage, and accordingly, does not

typically direct brokerage in consideration for research received. In such case, clients can pay higher fees or mark-ups/markdowns than with another broker that does not provide such research. Because the Adviser does not have to pay for the research, the Adviser has an incentive for selecting such broker rather than for obtaining the lowest fees and costs, most favorable net price or smallest spread. The Adviser's policies require that when paying in excess of what another broker would have charged for effecting the transaction the investment officer must document his good faith determination that the transaction costs and fees are reasonable in relation to the value of brokerage and research received. The Adviser uses the benefits it receives from third-party research for all client accounts. Research is received from third-party brokers as well as from the Adviser's affiliates.

### **Brokerage for Client Referrals**

The Adviser has no arrangements where it directs brokerage to a broker in exchange for client referrals.

### **Directed Brokerage**

As described above in this item, the Adviser generally directs brokerage to its affiliate, Andbanc Brokerage. (See above in this Item 12 for a description of the conflicts of interest of such direction).

Furthermore, a client or custodian can direct that the Adviser use a particular broker or dealer to execute transactions or can impose price restrictions for purposes of executing orders for securities. Where a client or custodian has directed the use of a particular custodian, broker or dealer or set forth fee and price restrictions, the Adviser is not in a position to negotiate freely fee rates, transaction costs or spreads, or to select brokers or dealers on the basis of best execution. Additionally, transactions for a client that has directed that the Adviser use a particular custodian, broker or dealer or follow his/her fee and price restrictions cannot be commingled or "batched" for purposes of execution with orders for the same securities for other accounts managed by the Adviser. Accordingly, the direction by a client of a particular broker or dealer to execute transactions for his/her or its account or comply with price or fee restrictions can result in higher transaction costs, greater spreads, or less favorable net prices than might be the case if the Adviser were empowered to negotiate freely such costs or spreads, or to select brokers or dealers on the basis of best execution.

### **Aggregation of Trades, Block Trades and Trade Sequencing**

For discretionary accounts, the Adviser can but is not required to combine multiple orders for shares or units of the same securities purchased or sold for managed advisory accounts so as to obtain the most efficient execution possible. Trade aggregation generally requires a portfolio manager's or adviser representative's reasonable determination that such an aggregation will benefit the client. The distribution of the shares or units purchased or sold in block is typically proportionate to

the size of the account's position in the traded securities; and it is not based on account performance or the amount or structure of the advisory fees. Subject to the Adviser's discretion regarding market conditions, when it aggregates orders, each participating account pays or receives the average price per share or unit for all transactions associated with block trades and, subject to minimum ticket charges, pays a proportionate share of all transaction costs. Adjustments to this pro rata allocation can be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges. Accounts owned by the Adviser or persons associated with the Adviser can participate in block trades with other client's accounts but will not receive any preferential treatment.

The Adviser does not aggregate orders for non-discretionary accounts. Hence, these accounts can have different prices and costs than discretionary accounts that are block traded. For any accounts that are not block traded, the Adviser is not always able to buy or sell the same quantities of securities for a client, and clients can pay higher rates, fees and/or transaction costs than clients who enter into discretionary arrangements. In addition, when discretionary and non-discretionary accounts generate trades for the same security at approximately the same time, discretionary account transactions will usually be placed prior to non-discretionary accounts; and, therefore, non-discretionary accounts can receive prices which are not as favorable as discretionary accounts.

## **ITEM 13 – REVIEW OF ACCOUNTS**

---

Accounts are typically reviewed by the Adviser's representatives, including portfolio advisers and managers, the Risk Manager, and other senior managers on a periodic basis or as needed due to market conditions or transactional activity.

### **Review Process**

All accounts are reviewed periodically. The frequency depends on the type of account or the extent to which the account could be affected by information concerning economic or market conditions, individual companies or industries or geopolitical events. In addition, the Adviser also performs reviews of its client's accounts as appropriate based on, among other things, changes in asset allocation or asset selection policies, market conditions security positions, changes in a client's investment risk tolerance or objectives, or in response to a request by a client for a meeting or the occurrence of such meeting.

The Adviser has different levels of account reviews. The first is a review performed by the adviser or portfolio manager assigned to the account. These reviews are conducted on accounts at custodians other than Pershing LLC. The second level of account reviews is designed to generate automated alerts based on certain risk parameters. Accounts with certain alerts are flagged for a third level account review, which is based

on scenario stress testing. Level two and level three reviews are for accounts established at Pershing LLC. If an account review results in a determination that the account is not consistent with the client's risk profile, the Adviser will, after consultation with the client, either change the risk profile or reduce the risky assets in the account. Any change of the risk profile after consultation with the client will be documented in writing. In the event that the client did not want to change the profile, the Adviser will not necessarily be in a position to assist the client in mitigating portfolio losses.

## **Client Reports**

The qualified custodian for a client account will provide the client with a monthly or quarterly statement of the value of the client's account. These reports generally include, among other things, a summary of all activity in the account, including all purchases and sales of securities and any debits and credits to the account, a summary of holdings including a portfolio valuation, and the change in value of the client's account(s) during the reporting period. The Adviser does not produce statements of clients' accounts and the only such statements are those prepared by custodians. However, the Adviser can and will produce, regularly or upon request, account and portfolio reports that include overviews, analysis, and performance. Such reports are produced (with data received from custodians) solely as an accommodation and service to clients, but do not constitute formal statements, and do not replace any statements issued by custodians. Clients may also receive consolidation reports produced by the Adviser upon request.

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

---

The Adviser's compensation is primarily in the form of management, advisory and performance fees. Please refer to Item 5 for additional details. The Adviser has referral relationships with affiliates pursuant to which each party refers prospective clients to each other and the referring affiliate receives fees for its respective referrals as per applicable laws and written agreements. In addition, Adviser also makes cash payments to third-party solicitors for client referrals provided that each such solicitor enters into a written agreement with Adviser pursuant to which the solicitor will provide each prospective client with a copy of Adviser's Form ADV Part 2 and a disclosure document setting forth the terms of the solicitation arrangement, including the nature of the relationship between the solicitor and Adviser and any fees to be paid to the solicitor. Where applicable, cash payments for client solicitations will be structured to comply fully with the requirements of Rule 206(4)-3 under the Advisers Act. The Adviser can receive referrals from outside attorneys, accountants and other professionals and enter into remuneration agreements from time to time.

## **ITEM 15 – CUSTODY**

---

The Adviser's affiliates can act as the qualified custodian for certain client accounts. As such, the Adviser, under certain conditions, will be deemed to have custody of clients' fund or securities in connection with advisory services provided to its clients. The Adviser is subject to all applicable provisions of the Custody Rule, which includes,

among other requirements, obtaining from its related persons that serve as qualified custodians, a written report on an annual basis. This report will contain an opinion from an independent public accountant with respect to the Adviser's related persons' control relating to custody of client assets such as an ISAE / SSAE report.

The Adviser maintains all securities and funds of its clients with "qualified custodians". Clients must receive no less than, on a quarterly basis, statements directly from the broker-dealer, bank, or other qualified custodian that holds and maintains such client's assets. The Adviser urges its clients to carefully review these statements. The Adviser's reports, if any, can vary from the statements provided by the qualified custodian because of differences in the timing of their preparation, reporting dates, communications or systems problems in the exchange of account data between custodians and the Adviser, or valuation methodologies used to value certain securities.

## **ITEM 16 – INVESTMENT DISCRETION**

---

The Adviser receives discretionary authority from the client ordinarily at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. With respect to the Adviser's discretionary programs and accounts, the Adviser is generally conferred with discretionary authority to make the following determinations without obtaining the consent of the client before a transaction is effected:

- which securities are to be bought or sold;
- the total amount of the securities to be bought or sold;
- the broker or dealer through whom securities are to be bought or sold; and
- the transaction costs and fees at which securities transactions for client accounts are effected.

In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, the Adviser observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines, instructions and restrictions must be provided to the Adviser in writing and the Adviser will have a reasonable period in which to evaluate and, if appropriate, approve them.

## **ITEM 17 – VOTING CLIENT SECURITIES**

---

### **Proxy Voting Policies**

The Adviser does not vote proxies relating to securities held in client accounts. Upon express request from a client, arrangements can be made to forward the proxies to clients for their voting. Typically, the custodian of the client investment account receives proxy notifications which are forwarded to the client. In the event that the Adviser receives any proxy notifications, the Adviser will promptly forward such notifications to the client for review and response.

SEC-registered advisers that have the authority to vote proxies (which authority can be implied from a general grant of investment discretion) are required to adopt policies and procedures reasonably designed to ensure, among other things, that the adviser votes proxies in the best interests of its clients. Advisers also must maintain certain records on proxy voting.

## **ITEM 18 – FINANCIAL INFORMATION**

---

Registered investment advisers are required in this Item 18 to provide you with certain financial information or disclosures about their financial condition. The Adviser does not require prepayment of fees six months or more in advance, has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Accordingly, no financial statements are required to be provided by the Adviser to its clients and prospective clients.

## **FORM ADV PART 2B BROCHURE SUPPLEMENT**

June 15<sup>th</sup>, 2021

This brochure supplement provides information about our advisors and supplements the Andbanc Advisory LLC brochure. You should have received a copy of that brochure. Please contact the Chief Compliance Officer if you did not receive Andbanc Advisory LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about our advisors can be found on the SEC's website at <https://adviserinfo.sec.gov/>

### List of Supervised Persons

Joaquin Frances  
Juan Pablo Venegas  
Eduardo Anton  
Karen V. Mendoza  
Miguel Cardoso  
Carlos Gribel

**ANDBANC ADVISORY LLC**  
1221 Brickell Avenue, Suite 1050  
Miami, Florida 33131  
305-702-1617



# **BROCHURE SUPPLEMENT - INTRODUCTION**

## **Education and Business Standards**

ANDBANC ADVSORY LLC generally requires that advisors in its employ have a bachelor's degree (or equivalent experience) and in certain cases further coursework demonstrating knowledge of investments. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, Series 7, Series 65 or 66, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for investment advisory work and portfolio management.

## **Professional Certifications**

In addition to the Series 7, Series 65 or Series 66, the following are some of the certifications and credentials that employees have earned.

*Certified Financial Planner (CFP)*: Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

*Chartered Financial Analyst (CFA)*: Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

*Enrolled Agent (EA)*: Enrolled Agents are enrolled by the Internal Revenue Service and authorized to use the EA designation. EA enrollment requirements:



- Successful completion of the three-part IRS Special Enrollment Examination (SEE), or completion of five years of employment by the IRS in a position which regularly interpreted and applied the tax code and its regulations.
- Successfully pass the background check conducted by the IRS.



of short-term and medium-term financial projections, variance analysis, preparation of analytical reports for investors and partners, liaison with remote field agents, preparation of financial statements of real estate holding companies and affiliates, liquidity management, oversight of any tax and legal matters affecting the legal entities and/or the real estate assets, as well as issuance and management of private placements.

▪ 04-07

Porcelanosa USA, Chief Executive Officer

Provide executive leadership for retail and wholesale construction finishing products company with six district offices during a restructuring period. Lead operations and strategic direction in the region with responsibility for medium range planning, global product and channel management, processes reengineering and renewal of pool of talent. Expand retail network; direct seven Vice Presidents, and general oversight of 185 employees. Redefine organizational structure, oversee major pricing, merchandising and operations decisions and perform periodic financial evaluation of company results.

**Disciplinary Information:** None

**Other Business Activities:**

Chief Executive Officer for Andbanc Brokerage LLC,  
NAV Finance LLC – President – Non-Investment Related,  
NAV Inc. – Personal Holding Company – President – Non-Investment Related,  
NAV Partners LLC – Investment Related – Administration,  
NAV Real Estate – Manager – Non-Investment Related.

**Additional Compensation:** None

**Supervision:** Joaquin Frances is supervised by the Board of Directors, contact information: 305-702-1617.

## **JUAN PABLO VENEGAS**, born 1967

### **Educational Background:**

- Universidad Anahuac del Sur, 1991 BA Mechanical Engineer
- Instituto Tecnológico Estudios Superiores, 1999 MBA Finance
- Completed the Series 65

### **Prior Business Experience:**

- 09 – 13 Columbus de Mexico SA de CV (Managing Director)  
Provided consulting and management services for clients wishing to have custodial accounts and investment advisory services overseas. Also, his responsibilities included making contributions to the asset allocation and investment strategies for such clients
- 05 – 09 UBS AG, Miami (Executive Director / Private Banker).  
Business development among private banking clients in the Mexican market for UBS in Miami. He managed relationships, establish private banking accounts and provided investment recommendations and overall portfolio management for those clients.
- 01 – 05 BankBoston, Miami (Vice President / Private Banker).  
Developed, managed and prospected private banking clients in the Mexican market.
- 91 – 01 Banco Nacional de Mexico SA de CV (Manager).  
He was in charge of the South Region in Mexico City, establishing and developing relationships with private banking clients. Responsibilities also included investment and wealth planning strategies for target clients.

**Disciplinary Information:** None

**Other Business Activities:** None

**Additional Compensation:** None

**Supervision:** Juan Pablo Venegas supervised by the Chief Executive Officer through frequent office interaction as well as remote interactions. The Chief Executive Officer's contact information: 305-702-1617.

**EDUARDO ANTON**, born 1982

**Educational Background:**

- |  |              |
|--|--------------|
| ▪ Instituto de Estudios Bursátiles, 2007 | MBA Finance  |
| ▪ Universidad Anahuac del Norte, 2004    | BA Economics |
| ▪ Completed the Series 65                |              |

**Prior Business Experience:**

- 07 – 14            Inversis Banco, Madrid Spain (Portfolio Manager)  
Member of the investment committee, responsible for Multi-Asset portfolio construction for Bankers IFAs and HNW clients, providing market outlook and a detailed portfolio analysis and performance attribution. Responsible for the selection and oversight of the ETFs and third party funds that form part of the discretionary mandates and HNW client's portfolios.
  
- 07 – 07            Allfunds Bank, Madrid Spain (Fund Analyst).  
Responsible for auditing the information received from external asset managers with regard to fund NAV and corporate actions. Review and analysis of the gamut of third-party funds to ensure they met the company's (legal, operational and systems-based) requirements.
  
- 91 – 01            Hotel Claveria, Mexico DF. (Deputy to the CEO)  
Financial reporting to the owners, helping them to optimize the operations of the business in a cost-effective way. Managed the inventories and supervise the daily operations.

**Disciplinary Information:** None

**Other Business Activities:** None

**Additional Compensation:** None

**Supervision:** Eduardo Anton is supervised by the Chief Executive Officer through frequent office interaction as well as remote interactions. The contact information: 305-702-1617.

**KAREN V. MENDOZA**, born 1974

**Educational Background:**

- Florida International University Bachelor of Science, International Relations
- Completed the Series 7 and 66

**Prior Business Experience:**

- 09-15 Morgan Stanley Private Wealth Management, Senior Registered Sales Assistant  
Responsible for providing clients account Service and Support functions such as portfolio analysis, account maintenance for clients and prospect meeting prep. Provide high quality, high touch service to clients and responsible for monitoring and maintaining various products for clients.
- 06-09 UBS International, Client Sales Associate  
Primary point of contact for all service related needs of clients. Provided advisors and clients support functionality in a team oriented environment with various product partners and operations teams to deliver a seamless and integrated approach to client needs.
- 99-06 BNP Paribas, Middle Office Assistant  
Point of contact responsible for providing excellent service to private banking, high net worth clients, and bankers. Coordinated and followed through on requests for products and services from key stakeholders, bankers, and clients such as: account openings (individual, entity, and trusts), loan proposals (renewals and payoffs), standby letters of credit, and wire transfers.

**Disciplinary Information:** None

**Other Business Activities:** Registered Representative with Andbanc Brokerage LLC

**Additional Compensation:** None

**Supervision:**

Karen V. Mendoza is supervised by the Chief Executive Officer through frequent office interaction as well as remote interactions. The Chief Executive Officer's contact information: 305-702-1617

**MIGUEL J. CARDOSO**, born 1969

**Educational Background:**

- University of Miami MBA, International Business, E-Commerce
- Completed the Series 7 and 66

**Prior and Current Business Experience:**

- 14-Present                      Andbanc Brokerage LLC, Director and Financial Advisor  
  
Client service support, servicing clients from LATAM countries, mostly from Brazil and Portugal.
- 10-14                              Espirito Santo Bank, Vice President and Financial Advisor  
Managing a high net-worth book from both Brazil and Portugal, I was the clients' go to person regarding their financial investments, providing a wide array of wealth management products. Also informally assist them in real estate search.
- 02-10                              Euro Bank, Vice President and Manager of Credit Analysis  
Point of contact responsible for providing excellent service to private banking, high net worth clients, and bankers. Coordinated and followed through on requests for products and services from key stakeholders, bankers, and clients such as: account openings (individual, entity, and trusts), loan proposals (renewals and payoffs), standby letters of credit, and wire transfers.

**Disciplinary Information:** Yes

**Other Business Activities:** Registered Representative with Andbanc Brokerage LLC;  
Licensed Real Estate Agent.

**Additional Compensation:** None

**Supervision:** Miguel J. Cardoso is supervised by the Chief Executive Officer through frequent office interaction as well as remote interactions. The Chief Executive Officer's contact information: 305-702-1617



## **CARLOS EDUARDO ARRUDA GRIBEL**, born 1962

### **Educational Background:**

- IBMEC MBA, Finance
- Completed the Series 7, 24 and 66

### **Prior and Current Business Experience:**

- 14-Present Andbanc Brokerage LLC, Head of Fixed Income  
Responsible for creation of the broker-dealer's trading desk, supervision of trading desk, best execution of brokerage trades, portfolio management, and business development.
- 12-14 Tradewire Securities Inc./ International FCStone, Director and Vice President of LATAM Fixed Income  
Management of the firm's trading desk and fixed income business.
- 10-11 Banco Maxima SA, Executive Director of International and Local Distribution  
Management of international capital market distribution, management of the firm's subsidiary, and oversight over the firm's LATAM fixed income business.
- 05-09 Queluz Gestao de Ativos, Partner and Commerical Director  
Founding Partner of Queluz Securities Ltd., manage and oversee the firm's fixed income trading desk.

**Disciplinary Information:** None

**Other Business Activities:** Registered Representative with Andbanc Brokerage LLC

**Additional Compensation:** None

**Supervision:** Carlos Gribel is supervised by the Chief Executive Officer through frequent office interaction as well as remote interactions. The Chief Executive Officer's contact information: 305-702-1617