

# JD Euroway Capital Partners LLC

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This Disclosure Brochure (“Brochure”) provides information about the qualifications and business practices of JD Euroway Capital Partners LLC (“JDE Capital Partners”). If you have any questions about the contents of this brochure, please contact Mr. Fritzgerald Zephir at +1 (514) 273-1456 or by email at: Gerald@jdeuroway.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.

Additional information about JD Euroway Capital Partners LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). JD Euroway Capital Partners LLC’s CRD number is: 305102.

Version Date: July 29, 2021

## Item 2 - Material Changes

**JD Euroway Capital Partners LLC (“JDE Capital Partners” or the “Firm”) provides its disclosure brochure (“Brochure”) to you when we enter into an advisory agreement with you. We then deliver an updated brochure at least annually.**

This Brochure constitutes an update to and replaces the version dated June 30, 2020. We will provide you with an updated Brochure, as required, based on the changes or new information, or upon request, at any time without charge. The following are material changes that have been made since our last filing:

No less than annually, our Brochure will be updated. Within 120 days of our fiscal year end, we will deliver the updated Brochure or summary of material changes which have been made to our Brochure since its last annual update. The summary will include information about how you may obtain an updated Brochure at no charge, and it will include the date of the last annual update. We will provide updated disclosure information about material changes more frequently as needed

Currently, you may request the Brochure by contacting **Mr. Fritzgerald Zephir** at **+1 (514) 273-1456** or **Gerald@jdeuroway.com**.

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## Item 4 Advisory Business

### Ownership

JDE Capital Partners is a limited liability company formed in 2019 under the laws of the State of Delaware. JDE Capital Partners is an alternative asset manager headquartered in Quebec, Canada. JDE Capital Partners is a registered investment adviser with the U.S. Securities and Exchange Commission ("SEC"). The owner of JDE Capital Partners is Mr. Fritzgerald Zephir.

### General Description of Primary Advisory Services

At JDE Capital Partners, we are investors first and foremost. The boutique nature of our firm and entrepreneurial spirit of the team allow us to focus on what we are most passionate about - Investing. This focus and our commitment create meaningful advantages for clients who are looking for a differentiated relationship with an investment management firm. JDE Capital Partners diversifies our investment portfolios across traditional asset classes and, for select clients, we offer distinctive investment opportunities in alternative asset classes that have been carefully vetted by our team and identified for our own investment.

Working closely with our banking partners worldwide, we are able to offer our clients differentiated Wealth Management Services, including:

- Financial Planning
- Banking
- Wealth Planning

JDE Capital Partners offers investment advisory and management services to individual and institutional account clients. The types of clients include, but are not limited to, individuals, families, institutions, corporations and pension and profit-sharing plans on a discretionary, non-discretionary, and consulting basis. JDE Capital Partners provides independent asset management services by leveraging institutional investment management platforms to develop investment strategies by selecting their own securities as well as occasionally selecting external investment managers and products where appropriate. In addition to investment management, JDE Capital Partners also offers financial planning, asset allocation, investment selection and monitoring, performance reporting and coordinating with tax and estate planning professionals. JDE Capital Partners, in conjunction with the client, takes into account specific tax implications of various investment strategies as well as tax ramifications of selling certain securities that are under the Firm's advisement. These conversations are on a case-by-case basis with each client, and thus, client portfolios may vary, and investment decisions may vary depending upon the client.

JDE Capital Partners' services, directly and through affiliates, are provided based on the specific needs of the individual client and are tailored to each client. Clients are given the ability to impose

restrictions on their accounts, including specific investment selections and sectors. However, JDE Capital Partners will not enter into an investment advisory relationship with a client whose investment objectives may be considered incompatible with JDE Capital Partners' investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Investment Management Services**

JDE Capital Partners' portfolio managers work with clients to agree upon investment objectives and to determine an appropriate investment strategy for the client's account. Relevant factors in this data-gathering process include, but are not limited to, time horizons, market specific information, risk tolerance, liquidity needs, and, in the case of individuals, tax issues. We manage portfolios designed to meet those objectives. JDE Capital Partners offers portfolio management services that include giving continuous investment advice and/or making investments for the client based on the individual needs, goals and objectives and risk tolerance of the client. When granted full discretion over the account, JDE Capital Partners will have the authority to make investment and trading decisions in the account. If JDE Capital Partners manages the client account on a non-discretionary basis, JDE Capital Partners will provide investment research, monitoring, performance reporting and review of account processes, but the client must approve any transactions JDE Capital Partners makes in their account.

### **Investment Consulting and Financial Planning Services**

JDE Capital Partners also offers a broad range of consulting services to families and institutions, which include advice on asset allocation, stock selection, review of existing investment portfolios, and/or an economic and financial market analysis. JDE Capital Partners tailors its consulting services to the individual needs of the investment consulting client. In the investment consulting relationship, JDE Capital Partners provides the recommendations to the clients, but the client determines how and whether the recommendations will be followed and directs the transactions in their account outside of their relationship with JDE Capital Partners.

### **Retirement Plan Services**

JDE Capital Partners offers investment advisory services to retirement plan sponsors. JDE Capital Partners also provides consulting advisory services to 401(k) plan committees. For a corporate sponsor of a retirement plan, our retirement plan investment advisory services may include, but are not limited to, the following services:

### **Fiduciary Consulting Services**

- Investment Policy Statement Development. JDE Capital Partners assists with development of an investment policy statement. The investment policy statement establishes the investment policies and objectives for the plan. The plan sponsor has the

ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.

- Investment Selection Services. JDE Capital Partners provides the plan sponsor with recommendations of investment options consistent with ERISA Section 404(c).
- Investment Monitoring. JDE Capital Partners assists in monitoring investment options by preparing periodic investment reports that document investment performance, consistency, management and conformation to the guidelines set forth in the investment policy statement. JDE Capital Partners makes recommendations to maintain or remove and replace investment options.

Please see **Item 5, Fees and Compensation**, for a detailed description of the services provided and fees charged.

### **Wrap Fee Programs**

JDE Capital Partners does not sponsor, or participate in, wrap fee programs.

### **Assets Under Management**

The total amount of client assets managed by JDE Capital Partners was \$ 2,200,000,000 as of March 30, 2021.

### **Item 5 – Fees and Compensation**

#### **Adviser Compensation**

JDE Capital Partners charges fees for investment management and investment consulting services that are based on a percentage of assets under management as well as fixed consulting fees. For accounts that are charged based on a percentage of assets under management, these accounts are billed quarterly in arrears and calculated on the market value of the account as of the end of the calendar quarter. JHCP's investment management fee schedule ranges from 0.30% to 1.00% of the market value of the account, depending upon the services and investment mandate for that individual client. Clients are responsible for any commissions or transaction costs charged by the custodian in association with implementing and maintaining this strategy. Financial planning services for an existing management client, are generally included in the advisory fee described above, but we reserve the right to charge separately for investment consulting and financial planning services. JHCP may negotiate the fee charged in certain circumstances, such as the account having a substantially larger than average value or other factors impacting the relationship of the account. In all cases, JHCP discloses the fee charged prior to services being provided and includes the fee schedule in the client's investment management agreement. For accounts opened mid-billing period, fees are prorated based on the number of days' services are provided during the initial billing period

In addition to the asset-based management fee, JDE Capital Partners charges any Client who is a U.S. Qualified Client and/or a U.S. Qualified a negotiated, periodic performance-based incentive fee. The Performance Fee equals twenty percent (20%) of the net increase in Net Asset Value, including realized and unrealized gains and net of the Management Fee on the calculation date as determined on the accrual basis of accounting (the "Performance Fee").

### **Deduction of Fees**

Clients can elect to have the fee deducted from their account or billed directly and due upon receipt of the billing notice. If clients elect to have the fee automatically deducted from an existing account, they are required to provide the custodian with written authorization to deduct the fees from the account and pay the fees to JDE Capital Partners. JDE Capital Partners provides the custodian with a fee notification statement. The custodian will send account statements to clients at least quarterly showing all disbursements from the account, including advisory fees. Clients should review account statements received from their account custodian and verify that appropriate advisory fees are being deducted.

### **Other Non-Advisory Fees**

Clients should be aware that they can invest in some mutual funds and exchange traded funds ("ETFs") directly, without the services of JDE Capital Partners. But in this case, they would not receive the services provided by JDE Capital Partners that are designed to, among other things, assist them in determining which mutual funds or ETFs, and level of allocation, are more appropriate to their financial condition and objectives. Accordingly, clients should review both the fees charged by the mutual fund(s), ETFs and JDE Capital Partners to fully understand the total fees that they will pay.

Clients may be charged fees by other parties in connection with the investment advice provided by JDE Capital Partners. These other fees may include brokerage commissions and/or transaction fees charged by the client's custodian. In addition, clients may incur certain charges imposed by third parties other than JDE Capital Partners in connection with investments made through the account including, but not limited to, mutual fund sales loads, 12(b)-1 fees, contingent deferred sales charges and surrender charges, and IRA and qualified retirement plan fees. Management fees charged by JDE Capital Partners are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to the client. A description of these fees and expenses are available in each security prospectus.

JDE Capital Partners may assist the client in establishing a managed account(s) through a qualified custodian. Clients can direct JDE Capital Partners to use a specific custodian or can allow JDE Capital Partners to recommend a custodian based on currently established relationships. When clients direct the use of a particular custodian, JDE Capital Partners may not be able to obtain the best prices and execution for the transaction. Clients who direct the use of a particular custodian may receive less favorable prices than would otherwise be the case if they

had not designated a particular custodian. Further, clients directing the use of a particular custodian may not be able to participate in aggregate trades (i.e., block trades) and directed trades may be placed by JDE Capital Partners after effecting non-directed trades. **Please refer to Item 12, Brokerage Practices, for additional discussion on selection of client custodians.**

### **Retirement Plan Services**

For retirement plan sponsors, JDE Capital Partners charges annual advisory fees, based on values of assets managed which ranges from 0.20% to 0.50% per year. JDE Capital Partners charges the retirement plan and thereby the plan participants are indirectly charged the advisory fee. For plan sponsors, this fee is negotiable based upon the complexity of the plan, the size of the plan assets, the actual services requested and number of participants. In other circumstances, a retirement plan sponsor may charge the plan participants directly.

### **Additional Compensation**

We do not receive any compensation other than the fees described in this Disclosure Brochure.

### **Termination of Advisory Services**

Either party may terminate the agreement for services at any time by providing a 30-day written notice to the other party. Termination is effective upon receipt of the notice. If services are terminated, fees are prorated based on the number of days in which services are provided prior to receipt of notice of termination and a prorated amount is billed to client. Fees are billed in arrears and calculated based on the fair market value of the client's account as of the last business day of the current billing period. JDE Capital Partners provides a detailed billing statement to client upon termination.

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

JDE Capital Partners charges any Client who is a U.S. Qualified Client and/or a U.S. Qualified Purchaser a negotiated, periodic performance-based incentive fee which may or may not be subject to a .

Once the Loss Carry forward has been recovered, the Performance Fee shall be based on the excess profits (over the Loss Carry forward amount) as to the Client, rather than on all profits. The “high water mark” procedure prevents JDE Capital Partners from receiving the Performance Fee as to profits that simply restore previous losses and is intended to ensure that the Performance Fee is based on long-term performance on behalf of the Client. When a Client withdraws capital, any Loss Carry forward will be adjusted downward in proportion to the withdrawal.

The net asset value of a client's account (the “Net Asset Value”) shall be determined on the accrual basis of accounting in accordance with U.S. GAAP consistently applied, and further, in accordance with the following. A determination shall be made on the last day of each calendar



period (or other time period, as the case may be) as to the value of a client's account. In making such determination, securities and options which are listed or admitted to trading on a national securities exchange or over the counter securities listed on NASDAQ, shall be valued at their last sales price on such date, or if no sales occurred on such date, at their "bid" price for a long position and the "ask" price for a short position. There shall be deducted the Management Fee payable to JDE Capital Partners. After the foregoing determinations have been made, a further calculation shall be made to determine the increase or decrease in Net Asset Value of a client's account during the calendar period (or other time period, as the case may be) just ended. The term "increase in Net Asset Value" shall be the excess of Net Asset Value at the end of any calendar period (or other time period, as the case may be) over that of the preceding period, after adjusting for interim capital contributions and withdrawals. The term "decrease in Net Asset Value" shall be the amount by which the Net Asset Value at the end of the calendar period (or other time period, as the case may be) is less than the Net Asset Value of the client's as of the end of the preceding period after making the adjustments specified above. In the event of a net decrease in the Net Asset Value of the account of any client in any calendar period (or other period), the amount of such net decrease shall be carried forward as a "Loss Carry forward". Any net increase in the Net Asset Value of the account of such client in a subsequent calendar period (or other period) shall be applied to reduce (but not below zero) such Loss Carry forward balance (and, conversely, any net decrease in Net Asset Value shall be applied to increase such Loss Carry forward balance). In the event, however, that a client withdraws funds at a time in which such client has a Loss Carry forward, the amount of such Loss Carry forward at such withdrawal date applicable to such client shall be reduced by a percentage equal to one hundred percent (100%) multiplied by a fraction, the numerator of which is the amount to be withdrawn from the client's Account, and the denominator of which is the amount in such account immediately prior to the withdrawal.

If at any time during or following the term of the IAC, gains or income used to calculate the Performance Fee are subsequently required to be surrendered or otherwise expended as a result of an adjudication or a settlement of allegations to the effect that such gains or income were obtained in violation of applicable law, JDE Capital Partners shall be liable to return any excess of the Performance Fee previously paid over the amount of Performance Fees which would have been due to JDE Capital Partners in the absence of the activity that gave rise to such surrender.

A pro rata Performance Fee is charged to Qualified Clients on any amounts permitted to be invested or withdrawn during any calendar period. A client is sent an invoice for the Performance Fee. The computation of the Performance Fee is made as of the end of each calendar period and all of the Performance Fee, if any, is withdrawn immediately from the client's account.

JDE Capital Partners' ability to receive the Performance Fees creates an incentive for JDE Capital Partners to leverage the client's portfolio and to select investments that are riskier or more speculative than would be the case in the absence of such ability. The Performance Fees payable to JDE Capital Partners is based on both realized and unrealized appreciation. Performance Fees, by their nature, create a conflict of interest. To mitigate this conflict of interest, JDE Capital Partners will adhere to the client's IPS and act in accordance with its fiduciary duty to the client.

JDE Capital Partners is required to disclose that lower fees for comparable services may be available from other sources.

#### Item 7 – Types of Clients

JDE Capital Partners generally provides investment advice on a discretionary basis to individuals, including high net worth, investment companies, pension and profit-sharing plans, family offices, trusts, estates charitable organizations, corporations and other business entities. JDE Capital Partners has a minimum investment amount of \$1 million for clients. This amount can be waived at the discretion of the JDE Capital Partners.

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

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

JDE Capital Partners engages clients to manage all or a portion of their investable assets. In conjunction with these investment management services, the JDE Capital Partners may also provide Clients with additional financial planning and advisory services as part of their firm's offering, all of which is inclusive in investment management fee detailed in each Client's agreement.

##### **JDE Capital Partners offers the following strategies:**

**Core Equity Strategy:** This strategy seeks to achieve diversification across value and growth investment styles and across sectors and market capitalizations. By owning both value and growth stocks, our objective is for client accounts to participate in market trends set by both styles. Stocks are generally owned in all sectors with a target limit of approximately 25% at cost in any one sector. Portfolios consist of small, mid- and large-cap stocks, and are comprised of individual stocks, including international equities (typically through ADRs), and may include mutual funds and exchange traded funds. The goal of this strategy is to provide diversification over a long-term period and to provide returns that are competitive with the relevant benchmark.

**Diversified Multi-Asset Income Strategy:** The Diversified Multi-Asset Income strategy seeks income-generating investments. The portfolio generally holds between 10 to 20 stocks, exchange traded funds and mutual funds, diversified across various asset classes, industries and investment styles. With a target allocation of 75% equity and 25% fixed income, tactical allocation decisions are made at the broad asset levels using exchange traded funds and mutual funds. The strategy also may hold individual stocks and real estate investment trusts that offer a consistent and growing dividend, established business model and a strong financial position. Income-generating investments may include, among others, Preferred Stock, Bank Debt, Dividend Paying Stocks, Bonds, Real Estate Investment Trusts (REITs) and alternative assets like managed futures and global macro focused funds.

**Global Opportunities Strategy:** JDE Capital Partners uses a qualitative process to analyze key macroeconomic data from the U.S. and International economies to anticipate economic trends and market strength in the future. JDE Capital Partners reviews numerous market factors as part of our analysis, including valuations, earnings and revenue growth, geopolitical developments, projected currency movements and liquidity. The allocations of the portfolio are based on our economic and market outlooks for global markets over an intermediate and long-term time horizon. The investment team determines areas of strength and weakness in the various global equity markets and over-weights or under-weights the U.S. versus international and other investment opportunities accordingly. JDE Capital Partners selects ETFs from leading U.S. providers to invest in U.S., developed international, emerging markets and other areas like commodities. The Global Equity strategy normally invests in five to fifteen U.S. and international ETFs and can invest up to 25% of the portfolio in fixed income ETFs.

**Fixed Income:** JDE Capital Partners constructs proprietary fixed income strategies for taxable and tax-exempt accounts by using individual securities, exchange traded funds and mutual funds. We may manage fixed income portfolios on a stand-alone basis or as part of the fixed income allocation of a balanced portfolio that combines our equity strategies with fixed income investments. We typically invest in high quality, high-rated bonds and seek to maximize total returns while focusing on principal preservation. JDE Capital Partners strives to customize our clients' bond portfolios by matching their investment objective with investment vehicles that offer appropriate liquidity, income and volatility characteristics.

**Alternative Investments:** For certain clients, JDE Capital Partners will utilize alternative investments to help implement the client's desired objectives. These investments include, but are not limited to, hedge funds, private equity funds, venture funds, and co-investment funds. JDE Capital Partners will select alternative investments that it believes will help provide a better risk/adjusted return to client portfolios. Alternative investments have different investment characteristics than publicly traded investments, such as minimum investment size, investor suitability, and lack of liquidity. Alternative Investments do not have the same regulatory reporting requirements, valuation standards, marketability, and regulatory oversight as publicly traded investments and, as a result, are generally considered to have an elevated degree of risk. JDE Capital Partners discusses the utilization of alternative investments with suitable investors only and does not believe they fit the investment profile/needs of all clients.

**Master Limited Partnerships:** For certain clients, JDE Capital Partners will invest in Master Limited Partnerships focused on the midstream oil and gas sector. This type of investment is not suited for all clients or account types, given the tax treatment of Master Limited Partnerships and the issuance of K-1's associated with these investments. JDE Capital Partners utilizes Master Limited Partnerships, where applicable, for certain clients focused on cash flow generation, because Master Limited Partnerships are required to distribute 90% of their income from qualifying activities to their limited partners.

**Options:** JDE Capital Partners may utilize options in furtherance of its investment strategy for particular clients, particularly related to hedging purposes tied to individual securities. This

strategy is typically utilized when the client has an outsized position in an individual security. Options positions typically include a short call option, where the client owns the individual security (i.e., the option is covered) that the option is being sold against. JDE Capital Partners will utilize all or some of the premium from the writing of the call option to purchase underlying put options on the same individual security. The seller (“writer”) of a call option which is covered, assumes the risk of a decline in the market price of the underlying security or other instrument below the purchase price of the underlying instrument, less the amount of premium received by the seller, and effectively forgoes the opportunity for gain on the underlying instrument above the exercise price of the option. The client’s ability to close out its position as a purchaser of an exchange-listed option is dependent upon the existence of a liquid secondary market on option exchanges. The client may also utilize options that may have limited liquidity. JDE Capital Partners can also utilize options to limit overall market exposure, predominantly by utilizing index put options.

**Passive Investment Strategy:** JDE Capital Partners may utilize a passive investment strategy for securities held in a client’s portfolio to maximize returns and mitigate possible taxable gain associated with selling the security. JDE Capital Partners monitors the securities in relation to the overall portfolio; but may or may not trade in the security due to potential tax considerations or because the client wants to continue holding the security, despite potentially not owning (or owning) that specific security for other clients.

#### Material risks of Investment Strategies

There is no guarantee of success of the investment strategies offered by JDE Capital Partners. The investment portfolios managed by JDE Capital Partners may be adversely affected by general economic and market conditions such as interest rate fluctuations, availability of credit, inflation rates, changes in laws, and national and international political circumstances. These strategies may not employ limitations on particular sectors, industries, countries, regions or securities. Investors should also consider the following risks:

- General Economic and Market Conditions. The success of a portfolio’s activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of certain investments. Unexpected volatility or illiquidity could impair a portfolio’s profitability or result in losses.
- Market Risk. Either the market as a whole, or the value of an individual company, goes down, resulting in a decrease in the value of client investments. This is referred to as systemic risk.
- Equity (Stock) Market Risk. Common stocks are susceptible to fluctuations and to volatile increases/decreases in value as their issuers’ confidence in or perceptions of the market change. Investors holding common stock (or common stock equivalents) of any issuer are

generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.

- Company Risk. There is always a certain level of company or industry specific risk when investing in stock positions. This is referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company may perform poorly or that its value may be reduced based on factors specific to it or its industry (e.g., employee strike, unfavorable media attention).
- Fixed Income Risk. Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending on set amounts of periodically paid income, face the risk that inflation will erode their spending power. Fixed income investors receive set, regular payments that face the same inflation risk.
- ETF and Mutual Fund Risk. ETF and mutual fund investments bear additional expenses based on a pro-rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients also incur brokerage costs when purchasing ETFs.
- Real Estate Investment Trust (REIT) Risk: The value of REITs can be negatively impacted by declines in the value of real estate, adverse general and local economic conditions and environmental problems. REITs are also subject to certain other risks related specifically to their structure and focus, such as: (a) dependency upon management's skills; (b) limited diversification; (c) heavy cash flow dependency; (d) possible default by borrowers; and (e) in many cases, less liquidity and greater price volatility.
- Management Risk. Client investments also vary with the success and failure of JDE Capital Partners' investment strategies, research, analysis and determination of portfolio securities. If JDE Capital Partners' strategies do not produce the expected returns, the value of a client's investments will decrease. Judgments about the value and potential appreciation of a particular investment may be wrong and there is no guarantee that the investment will perform as anticipated. The value of any single investment can be more volatile than the market as a whole or JDE Capital Partners' intrinsic value approach may fail to produce the intended results. There is dependence on the diligence, skill and business contacts of JDE Capital Partners' investment advisory personnel for the execution of JDE Capital Partners' strategies.
- Business, Terrorism and Catastrophe Risks. Investments are subject to the risk of loss arising from the occurrence of various events, including hurricanes, earthquakes, and other natural disasters, terrorism and other catastrophic events such as a pandemic. These catastrophic risks of loss can be substantial and could have a material adverse effect on JDE Capital Partners' business portfolios.

- Sector Focus Risk. Portfolios may be more heavily invested in certain sectors or industries, which may cause the value of their investments to be especially sensitive to factors and economic risks that specifically affect those sectors and may cause the value of the portfolios to fluctuate. Certain sectors in which the portfolios invest are continuously evolving and are subject to rapid technological and regulatory change. The success of any business operating in these sectors is, to a large extent, dependent on its ability to acquire, develop, adopt and exploit new and existing technologies and strategies and to distinguish its products and services from those of its competitors. The acquisition, development, adoption, exploitation and distribution of new and existing technology and strategy may take long periods of time and may require significant capital investment. In addition, the success of any business in these sectors is dependent on its ability to anticipate and adapt to regulatory change. These sectors are also characterized by intense competition.
- Private Investment Risk. Some of JDE Capital Partners' strategies utilize privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). JDE Capital Partners does not directly manage these vehicles; these investment vehicles retain their own managers who make the investment decisions and underlying security selections for the vehicle. The managers of these vehicles have broad discretion in selecting the investments. Typically, there are few limitations on the types of securities or other financial instruments which may be traded or used, and no requirement to diversify. Some types of these investment vehicles may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because private investment vehicles are not registered investment companies, they are not subject to the same regulatory reporting and oversight of a registered entity. There are numerous risks in investing in these types of securities. Clients should consult each investment's private placement memorandum and/or other prospectus or documents explaining such risks prior to investing.
- Illiquid Securities Risk. Portfolios may invest in private market securities or other illiquid investments, which may make it difficult or impossible to dispose of such investments at desired times, thereby increasing the risk of loss.
- Margin Risk. JDE Capital Partners uses margin in its investment strategies. When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you borrow part of the purchase price, then you are engaging in margin transactions and there is risk involved with this. The securities held in your margin account are collateral for the custodian or clearing firm that loaned you the money. If those securities decline in value, then the value of the collateral supporting your loan also declines. As a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, including:

- You can lose more funds than you deposit in your margin account
- The account custodian or clearing firm can force the sale of securities or other assets in your account
- The account custodian or clearing firm can sell your securities or other assets without contacting you
- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call
- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities
- The account custodian or clearing firm can increase its “house” maintenance margin requirements at any time and are not required to provide you advance written notice
- You are not entitled to an extension of time on a margin call

#### Material Risks of Securities Used in Investment Strategies

Judgements about the value and potential appreciation of a particular security may be wrong and there is not guarantee that securities will perform as anticipated. The value of a security can be more volatile than the market as a whole.

Real Estate Risks. Investments in real estate are subject to various known and unknown risks, including unforeseen changes in the local, national, and global economy, dynamic shifts in the geopolitical environment, the financial conditions of tenants, changes in the number of buyers for a specific asset type or geography, increases in the supply of product relative to demand, changes in availability and terms of third party financing, increases in interest rates, real estate tax rates, energy prices, and other operating expenses, changes in environmental laws and regulations, zoning laws, and other governmental rules and policies, volatility of real estate cash flows that can affect debt service and overall returns, commodity and labor prices impacting the cost of construction, as well as acts of God, terrorism, labor shortages, material shortages, and uninsurable losses, and other factors that are beyond the control of JDE Capital Partners. The acquisition, ownership, management, and disposition of property carries potential litigation risks, which could result in unexpected losses to the real estate fund.

#### Risks Related to Fixed Income Investments

Credit Risk. Credit risk is the risk that the issuer or guarantor of a debt security or counterparty to the portfolio’s transactions will be unable or unwilling to make timely principal and/or interest payments, or otherwise will be unable or unwilling to honor its financial obligations. If the issuer, guarantor, or counterparty fails to pay interest, the portfolio’s income may be reduced. If the issuer, guarantor, or counterparty fails to repay principal, the value of that security and the value of the portfolio may be reduced.

Fixed Income Securities. Fixed income securities are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). The market values of fixed income securities tend to vary inversely with the level of interest rates. Notwithstanding the foregoing, when economic conditions appear to be deteriorating, medium to lower rated securities may decline in value due to heightened concern over credit quality, regardless of prevailing interest rates.

## **Risk of Loss**

**Investing in securities involves risk of loss that clients should be prepared to bear.** JDE Capital Partners does not represent, warrant, or imply that the services or methods of analysis employed by JDE Capital Partners can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

All investments present the risk of loss of principal – the risk that the value of securities, when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The investment risks described above represent some but not all of the risks associated with the various types of investments and investment strategies.

### **Item 9 – Disciplinary Information**

JDE Capital Partners has no legal or disciplinary events that are material to a client's or prospective client's evaluation of JDE Capital Partners' business or the integrity of its management. Therefore, this item is not applicable to JDE Capital Partners' brochure.

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

JDE Capital Partners' management persons are not registered, nor do any management persons have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. JDE Capital Partners' management persons are not registered, nor do any management persons have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading JDE Capital Partners, or an associated person of the foregoing entities. JDE Capital Partners Capital does not recommend other investment advisors to its clients.

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



## Code of Ethics

JDE Capital Partners is required to adopt and maintain a Code of Ethics. As a registered investment adviser, JDE Capital Partners has a duty of utmost good faith to act solely in the best interest of each client. JDE Capital Partners and its representatives have a fiduciary duty to all clients. JDE Capital Partners has established a Code of Ethics that all persons associated with the firm must read. They must then execute an acknowledgment agreeing that they understand and agree to comply with the Code of Ethics. The fiduciary duty of JDE Capital Partners and its representatives to clients is considered the core underlying principle for JDE Capital Partners' Code of Ethics and represents the expected basis for all dealings with clients. JDE Capital Partners has the responsibility to make sure that the interests of clients are placed ahead of it or its associated persons' own investment interests. All representatives will conduct business in an honest, ethical and fair manner. All representatives will comply with all federal and state securities laws at all times. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to services being conducted. All representatives have a responsibility to avoid circumstances that might negatively affect or appear to affect their duty of complete loyalty to clients.

This section is only intended to provide current clients and potential clients with a description of JDE Capital Partners' Code of Ethics. If current clients or potential clients wish to review JDE Capital Partners' Code of Ethics in its entirety, a copy may be requested from **Fritzgerald Zephir** at **Gerald@jdeuoway.com** or **+1 (514) 273-1456** and it will be provided promptly.

## Personal Trading

JDE Capital Partners and its representatives may buy or sell securities for their own accounts that are recommended to clients. JDE Capital Partners has policies in place for protecting the clients' interest first. They also recommend the purchase or sale of different securities for different clients at different times. This could result in contrary advice being given or action taken on behalf of clients and in the personal accounts of JDE Capital Partners and its representatives. To prevent conflicts of interest, associated persons must have personal trading preapproved by the Chief Compliance Officer before execution of the transaction. The Chief Compliance Officer's trades will be preapproved by another senior member of JDE Capital Partners. To prevent conflicts of interest, JDE Capital Partners' Code of Ethics includes personal investment and trading policies for all employees, including their immediate family members (collectively, access persons). The Code of Ethics is distributed to all access persons, upon employment, annually and upon amendment and all access persons acknowledged they have read, understand and agree to abide by JDE Capital Partners' policies and procedures. The policies include:

- Access persons cannot prefer their own interests to that of the client
- Access persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts

- Access persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investment public upon reasonable inquiry
- JDE Capital Partners maintains a list of all securities holdings for itself and all Access persons; this list is reviewed on a regular basis by JDE Capital Partners' Chief Compliance Officer

Any associated persons not observing JDE Capital Partners' policies, or violating any applicable state and federal advisory practice regulations, is subject to sanctions up to, and including, termination.

## Item 12 – Brokerage Practices

Unless otherwise directed by a client, JDE Capital Partners will determine which broker-dealers will be used for executing client securities transactions. We generally recommend that most transactions be executed through one of several broker-dealer/custodians with whom we have negotiated favorable pricing. We believe that utilizing these broker-dealers for most securities transactions is consistent with our duty to seek to obtain best execution. On occasion, better execution may be available from other broker-dealers. We monitor all equity and fixed income trades to ensure that your account is receiving best execution. Best execution of client transactions is an obligation JDE Capital Partners takes seriously and is a catalyst in the decision of using an account custodian. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration. When JDE Capital Partners has discretion as to placement of transactions, it considers the following:

- Financial stability, reputation, willingness to commit capital and clearing and settlement capabilities.
- A brokerage firm's research and investment ideas that directly impact a client's portfolio.
- Price (the amount of commission paid). All trades are negotiated to the appropriate level based on the size of the trade and its complexity to execute.
- The operational aspects of brokerage firms' back office (will the client receive payment of securities on a timely basis), and custodian or other administrative service.

Because of these considerations, JDE Capital Partners may pay a brokerage commission in excess of that which another broker might have charged for having affected the same transaction in recognition of the value of brokerage or research services provided by the broker.

### **Client-Directed Brokerage**

Clients may select a broker/dealer or account custodian different from one recommended by JDE Capital Partners and direct JDE Capital Partners to use that broker/dealer or custodian to maintain custody of their assets. JDE Capital Partners has discretion to reject the client's request for directed brokerage. If JDE Capital Partners does not agree to manage the client's assets at another custodian, the client is free to choose a custodian recommended by JDE Capital Partners or to choose another adviser to manage their assets. When a client directs the use of a particular

broker/dealer or other custodian, JDE Capital Partners may not be able to obtain the best price and execution for the transaction. Clients who direct the use of a particular broker/dealer or custodian may receive less favorable prices than would otherwise be the case if clients had not designated a particular broker/dealer or custodian. Further, directed trades may be placed by JDE Capital Partners after effecting nondirected trades.

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

JDE Capital Partners does not currently trade using soft dollars. If JDE Capital Partners decides to trade using soft dollars, they would do so in a manner consistent with the safe harbor provided by Section 28(e). Examples of research services purchased are: written market publications for investment professionals dealing generally with market information, asset allocation, and information relating to selected specific companies and securities.

The custodians for JDE Capital Partners' clients may make available other products and services at a reduced cost or at no cost. These other products and services may benefit JDE Capital Partners but may not benefit all client accounts. Some of these other products and services assist JDE Capital Partners in managing and administering clients' accounts, including:

- Software and other technology that provide access to client account data (such as trade confirmations and account statements)
- Facilitation in trade execution (and allocation of aggregated trade orders for multiple client accounts)
- Research, pricing information and other market data
- Facilitation for payment of fees to JDE Capital Partners from clients' accounts
- Assistance with back-office functions, record-keeping and client reporting.

These custodians may also offer other services intended to help JDE Capital Partners manage and further develop its business enterprise, such as:

- Consulting
- Publications and conferences on practice management
- Information technology
- Business succession
- Regulatory compliance
- Marketing

As a fiduciary, JDE Capital Partners endeavors to act in its clients' best interests. However, any recommendation that clients maintain their assets in accounts at certain custodians may be based in part on the benefit to JDE Capital Partners of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by such custodians. This may create a potential conflict of interest. Clients are under no obligation to act on the recommendations of JDE Capital Partners.

## **Block Trades**

JDE Capital Partners generally implements transactions for client accounts independently, unless it decides to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used when JDE Capital Partners believes such action may prove advantageous to clients.

JDE Capital Partners aggregates transactions only if it believes that aggregation is in the best interests of the applicable clients, is consistent with its duty to seek best execution for its clients, and is consistent with the terms of its investment advisory agreement with each client for whom transactions are being aggregated. Nevertheless, the system employed by JDE Capital Partners may have a detrimental effect on the price or value of the security as far as each client is concerned. In other cases, however, the ability of the clients to participate in volume transactions will produce better execution prices. JDE Capital Partners does not receive any additional compensation or remuneration as a result of aggregating or blocking trades.

## **Item 13 – Review of Accounts**

### **Account Reviews**

Portfolio management and trading services are conducted continuously. All accounts are reviewed by the portfolio manager at least quarterly. Client cash flows, client requests, external events, economic or market related events could also trigger account review to ascertain if any adjustments are warranted.

Account reviews are performed by JDE Capital Partners' portfolio manager, Mr. Fritzgerald Zephir. Absent specific client instruction, accounts are reviewed relative to asset allocations in the client's portfolio(s), accuracy of portfolio holdings, continuing suitability of investment products and to check that account performance is still working toward the client's goals and objectives.

### **Account Reports**

Clients receive an account statement at least quarterly from the custodian maintaining their account in addition to the quarterly account statements prepared by JDE Capital Partners, which are sent at the request of the client. In addition, JDE Capital Partners sends a quarterly or semi-annual market outlook letter, or more frequently depending upon market conditions. The market outlook letter covers recent economic and market trends and their impact on the marketplace. Clients should compare the account statements they receive from the custodian with review letter and appraisal they receive from their custodian and report any differences to your JDE Capital Partners representative.

## Item 14 – Client Referrals and Other Compensation

### **Client Referrals**

JDE Capital Partners does not receive any economic benefit, directly or indirectly from any third party for advice rendered to JDE Capital Partners' clients. JDE Capital Partners does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### **Other Compensation**

For additional discussion on other compensation received by Adviser, its owners or its representatives, please refer to Item 5, Fees and Compensation and Item 10, Other Financial Industry Activities and Affiliations. Please see Item 12, Brokerage Practices, for discussion about the services and products Adviser may receive from custodians of client accounts.

## Item 15 – Custody

Client assets and securities managed by JDE Capital Partners are held at independent, qualified custodians. JDE Capital Partners is deemed to have custody due to our ability to debit our investment advisory fee from client accounts. To mitigate this risk and meet the requirements of the custody rule, JDE Capital Partners custodies all client assets and securities with independent, qualified custodians in a separate account for each client under that client's name. Otherwise, we do not have custody of client assets or funds.

The client's custodian will send account statements at least quarterly and show all transactions in the account, including fees paid to JDE Capital Partners. JDE Capital Partners urges clients to carefully review and compare official custodial records to the any account statements that JDE Capital Partners provides. JDE Capital Partners statements may vary slightly from custodial statements based on accounting procedures, reporting dates, and/or valuation methodologies of certain securities. When clients have questions about their account statements, they should contact us or the qualified custodian preparing the statement.

## Item 16 – Investment Discretion

Asset management services are provided on both a discretionary and non-discretionary basis. On a discretionary basis, JDE Capital Partners makes all decisions to buy, sell or hold securities, cash or other investments in the managed account in its sole discretion without consulting with the client before implementing any transactions. Clients must provide JDE Capital Partners with written authorization to exercise this discretionary authority. Clients can impose reasonable restrictions on management of their accounts.

When discretionary authority is granted, it is limited to investment and trading decisions in accordance with the agreed upon strategy for the client account. JDE Capital Partners does not have access to client funds and/or securities with the exception of having advisory fees deducted

from the client's account and paid to JDE Capital Partners by the account custodian. Any fee deduction is done pursuant to the client's prior written authorization provided to the account custodian.

If management services are provided on a non-discretionary basis, JDE Capital Partners always contacts the client before implementing any transactions in an account. Clients must accept or reject JDE Capital Partners' investment recommendations, including: (1) the security being recommended, (2) the number of shares or units and (3) whether to buy or sell. Once these factors are agreed upon, JDE Capital Partners is responsible for making decisions regarding the timing of the purchase or sale and the price at which it is bought or sold. Clients who have selected non-discretionary management of their account should know that if they are not able to be reached or are slow to respond to JDE Capital Partners' request, it can have an adverse impact on the timing of implementing trades and JDE Capital Partners may not achieve the optimal trading price.

#### Item 17 – Voting Client Securities

##### Proxy Voting Generally

JDE Capital Partners will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

#### Item 18 – Financial Information

JDE Capital Partners does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, JDE Capital Partners is not required to include a balance sheet for its most recent fiscal year. JDE Capital Partners is not subject to a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Finally, JDE Capital Partners has not been the subject of a bankruptcy petition at any time.