

# Envisage Advisory

## Form ADV Part 2A - Firm Brochure

### 1. Cover Page

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**SEC File Number:** 801-78527

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This brochure provides information about the qualifications and business practices of Envisage Advisory. If you have any questions about the contents of this brochure, please contact us at +41 44 552 0387 and/or info@envisage.ch.

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. Registration does not imply that Envisage or its associates have attained a certain level of skill or training. Additional information about Envisage is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**2. Material Changes**

This Brochure is divided in two sections: 2A and 2B, respectively. Part 2A provides information on Envisage Advisory, whereas part 2B provides information on the key personnel of Envisage Advisory.

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### 4. Advisory Business

Envisage Advisory (hereafter “Envisage”) was incorporated as Envisage GmbH. under Swiss law, in the Canton of Zürich, in 2006. Envisage is an advisory firm that mostly provides advisory services to financial institutions and small corporations. Envisage also works with private individual clients who require high level advisory, wealth and financial planning and general advisory services.

We provide clients with advisory, consulting, wealth planning and family office services as well as life insurance, tax and estate planning services. Envisage estimates that approximately 80% of services provided and work performed have a U.S. connection in some way. Estate planning includes advice on inter-generational wealth transfer, dealing with succession issues and philanthropic planning advice. We work with a very extensive international network of subject matter experts and service providers in the various areas needed to deliver comprehensive wealth planning solutions. These specialists are located in a number of jurisdictions including Switzerland, the United Kingdom and the United States of America. Envisage generally takes a management and coordination role in managing delivery of a multitude of services from different providers to achieve a specific client objective.

Envisage GmbH does not currently manage any financial or bankable assets nor does Envisage provide direct investment management services. Further, Envisage does not provide direct investment advice on assets beneficially owned by U.S. persons (managed segregated accounts). We are focused on advisory, consulting and the structuring of overall solutions. Particularly in the area of Private Placement Life Insurance solutions, where Envisage takes the role and function of the intermediary. The intermediary function being the entity between the end client (policyholder and ultimate beneficial owner) and the asset manager and/or insurance carrier. Envisage however, is not a registered insurance broker in Switzerland, the United States nor in any other jurisdiction. Private Placement Life Insurance structuring is often in combination with trusts, foundations and other structures. Envisage works with a wide network of lawyers, trust companies and other professionals. Although Envisage does not currently provide investment advice, Envisage does however reserve the right to start again offering and providing direct investment advisory services to both U.S. and non-U.S. persons in the future.

We can provide much the same services for non-U.S. persons. I.e., persons with no connection whatsoever to the United States. Notwithstanding, the niche Envisage has developed and built lies primarily in working with U.S. connected advisory and structuring.

**Advisory Services**

Envisage does not provide discretionary and/or non-discretionary portfolio management and/or direct investment advisory services on assets beneficially owned by U.S. persons or any other persons. I.e., direct managed accounts for U.S. persons. We currently also do not provide direct investment advisory services on any assets owned by non-U.S. persons. I.e., Envisage does not currently perform direct asset management services. Envisage does of course reserve the right to start offering and providing discretionary and non-discretionary portfolio management and direct investment advisory services to U.S. persons, i.e., direct managed accounts for U.S. persons, should it make sense to do so.

Envisage provides general advisory and consulting services, including advice which we consider could be construed as investment advice under the Investment Advisors Act of 1940 act. In particular as such advice and services relate to Envisage' activities in Private Placement Life Insurance; our role as intermediary on life insurance policies (Deferred Variable Annuities, Variable Universal Life, etc.) In addition, advisory services are occasionally provided to private individuals, trusts, estates, charitable organizations, small corporations or other similar entities.

We work with our clients to evaluate and establish their specific needs, goals and investment profiles.

We place great importance on:

- proper wealth planning
- succession planning
- estate planning
- risk management
- tax planning, tax compliance and optimisation

Envisage may advise clients on ways to enhance the benefits of their overall wealth management plan. Envisage may engage, use and manage the services of selected third party providers, subject matter experts and other specialists (tax accountants, tax attorneys, trustees, etc.) as needed. This is a key competency differentiating Envisage from other providers - in that we manage a network of third party providers toward providing integrated solutions for clients.

**Variable Annuities and Variable Life Insurance Products**

Envisage earns a substantial percentage of its revenue through acting as intermediary for variable universal life insurance and variable annuity products.

Before making a recommendation or proposal involving a variable annuity or life insurance product, it is Envisage policy to:

- Inform the client of the general terms of the various features of the variable annuity or life insurance product
- Inform and explain to the client and if appropriate, the clients advisors, the benefits, advantages and disadvantages of variable annuities and life insurance
- Inform the client and if appropriate, the clients advisors, the total costs associated with variable annuities and life insurance
- Reasonably believe that the client will benefit from the features of the variable annuity or life insurance product
- Ensure that any contract riders, risk components and/or product enhancements, and the underlying subaccounts to which premium payments are allocated, are appropriate for the client

Before making a recommendation involving an exchange of a variable annuity or life insurance product or a change in the type, nature, structuring, policyholder(s), insured person(s) or beneficiary(s) of the policy, it is Envisage policy to:

- Consider whether:
  - the client would incur a surrender or other charge
  - be subject to the commencement of a new surrender period
  - any or what material changes could be to the terms and conditions of the policy
  - lose existing benefits

- be subject to increased fees
- Be satisfied that the client would benefit from product enhancements and improvements
- Factor in whether the client has had another variable annuity exchange within the preceding 36 months

In the intermediation of life insurance products (Private Placement Life Insurance) for U.S. persons, Envisage fulfills the role of intermediary between:

- The issuing or maintaining insurance company and the client
- The responsible asset manager and the client

Because variable life insurance and variable annuity products have investment product characteristics and the Deferred Variable Annuity (DVA) product in particular is regulated by the SEC, Envisage took the decision to register as an Investment Advisor under the act of 1940 and to maintain this registration. Thus subjecting Envisage to the full regulatory oversight and jurisdiction of the United States.

### ***Discretionary Investment Services***

Should a client wish to receive discretionary investment advice and if this is agreed to by us, the client will sign a Discretionary Asset Management Mandate (hereafter 'Discretionary Mandate') with Envisage. Under the Discretionary Mandate, Envisage is authorized to manage the assets on a fully discretionary basis, according to the client's investment needs, objectives and restrictions as set out in the Investment Policy Statement (IPS).

Under the Discretionary Mandate, we will be responsible for determining the client's asset allocation and for investing the client's assets subject to pre-defined restrictions, if any. We will periodically review and may update the asset allocation and holdings, such as in response to economic, political or market conditions.

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

Should a client wish to receive non-discretionary investment advice and if this is agreed to by us, may sign a mandate for non-discretionary investment services (hereafter 'Non-Discretionary Mandate') with Envisage. Under the Non-Discretionary Mandate, we will provide investment advisory services and will respond within a reasonable time frame to the client's correspondence and telephone calls requesting to discuss Envisage views and recommendations regarding economic events, advisable strategic and tactical asset allocation and investments (e.g., securities, securities markets, funds, currencies, market trends) and related investment options, strategies, and opportunities. Envisage will discuss economic events and investment possibilities with client at reasonable length. Envisage may also, but is not obligated to, contact the client from time to time (by phone, email, letter, or other means) with recommendations that we believe may be appropriate for the client based on the client's investor profile.

Envisage is not registered as a securities broker-dealer and, therefore does not provide brokerage services. As is standard practice in Switzerland, brokerage services are generally conducted by the custodian bank. Special arrangements can be made by the client to direct brokerage at the wish of the client.

Envisage's investment recommendations under any Agreement concluded may relate (but are not limited) to stocks and other equity securities, bonds and other debt securities, money market and other cash management instruments, derivatives and other investments. Under the Non-Discretionary Mandate, the client will be solely responsible for making all investment decisions and Envisage will not have any discretionary authority over the client's account. As per the terms of the Non-Discretionary Mandate, Envisage will not monitor the client's investment portfolio or other assets to determine whether changes should be made thereto. Finally, we will not monitor information that we previously provided or recommendations we previously made to the client to determine whether such information and recommendations require updating to reflect changed market conditions or changes to the client's investment profile.

### ***Asset Manager Selection & Sub-Advisory Mandates***

Envisage may occasionally support clients in the evaluation and selection of non-affiliated third-party asset managers. Particularly where a client has special investment needs and/or objectives, we may in good faith refer the respective client to third-party asset managers. Envisage may have referral

agreements with some third-party asset managers and may therefore be compensated for the referral. The existence of the referral agreement and the amount to be paid under the agreement is always disclosed to the client as a matter of course. It is at the client's discretion to decide whether such third-party asset managers are suitable or not. Envisage will generally have no further obligations after such a referral. In particular, Envisage will not accept any liabilities for the performance and quality of service provided by such third-party asset managers that the client chooses to work with.

In general Envisage does not enter into sub-advisory mandates with other managers.

### Client Needs & Restrictions

We tailor our Advisory Services to the individual needs and objectives of clients based on the information and personal specifications that clients provide to us. Since Envisage does not directly manage client assets, the question of investment restrictions allowable by clients is not relevant.

## 5. Fees and Compensation

### Fees for Advisory Services

For advisory clients, fees are negotiated and agreed individually with our clients on a case-by-case basis. Envisage provides rather specific advice and services to a small group of companies and private clients. Hence it makes sense to individually negotiate and agree fee rates.

Although Envisage does not currently offer direct investment advisory services, the fee schedule should we decide to do so in future is presented here for completeness. For all types of our clients, those with Discretionary Mandates as well as Non-Discretionary Mandates, Envisage is compensated with a fee that is based on a percentage of the value of client assets placed under management with Envisage.

### Standard Annual Rates for Discretionary Mandates

The standard fee schedule for Discretionary Mandates is defined below. Envisage reserves the right to negotiate fees with clients under certain circumstances.

Assets under management	Annual Management Fee (charged quarterly in arrears)
CHF 250'000 to 5'000'000	1.00 %
CHF 5'000'001 to 10'000'000	0.75%
CHF 10'000'001 to 25'000'000	0.50%
Over CHF 25'000'001	As negotiated

Minimum fee: CHF 1,000 p.a.

### Standard Annual Rates for Non-Discretionary Mandates

The standard fee schedule for Non-Discretionary Mandates is defined below, subject to a minimum quarterly fee of CHF 2'500. Envisage reserves the right to negotiate fees with clients under certain circumstances.

Assets under management placed under Non-Discretionary Mandates	Annual Management Fee (charged quarterly in arrears)
CHF 250'000 to 5'000'000	1.25 %
CHF 5'000'001 to 10'000'000	1.00%
CHF 10'000'001 to 25'000'000	0.75%
Over CHF 25'000'001	As negotiated

Minimum fee: CHF 2,500 p.a.

### Investment Advisory Fee Invoicing

Fees are generally invoiced directly to the custodian contracted under the client's Mandate and charged directly to the client's account(s) in accordance with the terms defined in the Mandate. Fees may be subject to Swiss VAT at the rates in force at that time. VAT is dependent on the clients domicile.

Fees are calculated and charged pro-rata on the basis of the value of the assets under management at the end of a particular quarter. Fees are charged and deducted from the account quarterly in arrears in the portfolio reference currency. Any Mandate can be terminated at any time by the client without penalty and with immediate effect. In which case the outstanding fees will be pro-rated in the partial calendar quarter and charged based upon the number of days that the mandate was active during the final quarter of the respective mandate.

### **Other Types of Fees or Expenses**

The aforementioned fees cover exclusively Envisage's discretionary and non-discretionary advisory services. Envisage takes no other fees for its Investment Advisory Services unless agreed otherwise with the client. Furthermore, fees that differ from the standard fees mentioned above may apply to so-called Sub-Advisory Mandates.

Envisage is not registered as a securities broker-dealer. Therefore, Envisage does not provide any securities brokerage services, and neither Envisage nor its employees charge clients any transaction-based fees or accept compensation for the sale of securities or other investment products. Brokerage commissions, transaction fees, custodian fees, and other related costs and expenses which may be incurred by the client under the Mandate are exclusive and in addition to Envisage's Advisory Services fees.

It is still occasional practice in Switzerland for commissions and fee percentages, for client brokerage and other services, so called "Retrocessions" or "rebates" to be passed back to the Asset Manager. Envisage does not take "Retrocessions" nor any other cash rebates, trailer fees or other compensation from banks/brokers.

### **Variable Annuities and Variable Life Insurance Products**

For its role as intermediary, Envisage receives a trailer fee from the insurance company maintaining the policy. This fee is generally between 10 and 20 basis points (0.1% – 0.2%) of the premium reserve (assets under management) of the policy. This is paid directly to Envisage by the insurance company and comes out of the administration fee (M&E) that the insurance company charges to the policyholder.

Envisage may also earn commissions on the sale of insurance products to clients. To date, Envisage has not done so. Should Envisage do so, as a matter of policy, such commissions are always disclosed to and agreed to by the client.

### **Third-Party Fees**

Clients may incur third-party charges such as stamp duties, taxes, commission charges, currency exchange charges and other fees charged by third-party entities or regulatory authorities. Third-party brokers may charge fees to execute securities transactions or commissions when acting as agent, or they may charge a mark-up on transactions when acting as principal. Mutual funds and exchange traded funds may charge up-front fees and internal management fees, which are generally disclosed in the fund prospectus. These types of third-party commissions and fees are borne by our clients in the normal course of business. Envisage does not reduce its Advisory Services fees to offset any of these fees, costs or expenses.

### **Fees for other services**

Envisage may from time to time refer its clients, with their consent, to non-affiliated third parties for additional services, such as tax, accounting, reporting or legal counsel. Envisage may receive compensation or fees for such referrals. In particular, Envisage has a formal, written referrer (solicitation) agreement in place with WTax SARL, a provider of international withholding tax reclaim services ([www.wtax.ch](http://www.wtax.ch)) to financial institutions. Whereby Envisage is compensated by WTax for introductions made to potential institutional clients. WTax is a subsidiary of the VAT IT Group, the world's largest international tax recovery organisation. The existence of the referral (solicitation) agreement and the amount to be paid for the referral should the client decide to use the third party service provider is always disclosed to the client as a matter of course. It is at the client's discretion to



decide whether such third-party service providers are suitable or not. Envisage will generally have no further obligations after such a referral. In particular, Envisage will not accept any liability for the performance and quality of service provided by such third-party service providers that the client chooses to work with.

Envisage may charge an hourly fee for other services (non-investment advisory). Such fees are based primarily on the complexity of the service provided and are agreed with the client in advance. Envisage may also enter into a monthly or quarterly retainer agreements with clients, whereby the client agrees to pay Envisage a monthly or quarterly retainer on the basis of an estimate of the amount and value of services provided. Clients are invoiced for fees on a monthly or quarterly basis.

Hourly fees generally range from CHF 400 to CHF 800 per hour depending on the type and complexity of the services required. Some services will require the involvement of outside specialists. Envisage reserves the right to charge a markup on the fees charged by outside specialists when such services are managed and coordinated by Envisage. Fees are generally individually negotiated. Fees may be waived, discounted, and/or otherwise adjusted at the discretion of Envisage, always in discussion with the client.

## **6. Performance Based Fees**

Envisage does not charge any performance based fees.

## **7. Types of Clients**

As noted in item 4 above, Envisage's advisory services may be provided to private individuals, trusts, estates, charitable organizations, financial institutions, small corporations and other similar entities.

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

### **Strategies and Methods of Analysis**

Should Envisage decide to again offer direct investment advisory services, for clients with Discretionary mandates we would offer a variety of strategies depending on the clients' respective profile (Balanced, Conservative, etc.). These strategies will be based on and reflect Envisage's perspectives and analysis. For Discretionary Mandates, we generally focus on allocating investments among various asset classes, following a top-down, fundamental factor, macro investment approach. We consider the asset allocation decision to be the most important determinant of long-term investment returns.

We seek international diversification in an effort to enhance portfolio return while working to diversify risks. We may use hedging strategies to alter the equity and/or currency exposure of Discretionary Mandate portfolios to try to protect the clients' assets against market events we perceive as likely to have a negative impact on performance.

Clients' Discretionary Mandate portfolios may include various instruments such as, but not limited to cash, equity securities, corporate debt securities, commercial papers, certificates of deposit, governmental securities, mutual funds, exchange traded funds, physical commodities, physical precious metals, future contracts, forward contracts, derivatives and alternative investments such as hedge funds, funds of hedge funds and private equity vehicles. Our investment style and philosophy is generally focused on wealth preservation, while allowing room for growth opportunities. We tend to take a long term perspective (buy and hold) and generally do not practice frequent trading. We generally focus on liquid, market traded investments, investment grade fixed income instruments, well-known funds and favour diversification. Our analysis and research methods include, but are not limited to, fundamental, quantitative, top-down and bottom-up research.

### **Non-Discretionary Mandates**

For clients with non-discretionary mandates, we provide individual trade basis advice, on particular investments. These investments may include a broad range of possible investments, including potential investments we would not normally include in a discretionary mandate. These are generally discussed with and tailored to a client depending on the clients needs, objectives and risk profile. We may provide advice on various instruments such as, but not limited to, cash, equity securities, corporate debt securities, commercial papers, certificates of deposit, municipal and governmental securities, mutual fund shares, exchange traded funds, physical commodities, physical precious



metals, future contracts, forward contracts, derivatives and alternative investments such as hedge funds, funds of hedge funds, structured products and private equity vehicles.

### **Risk of Loss**

Clients should always bear in mind that all types of investments in financial instruments (through both Discretionary and Non-Discretionary Mandates) involve risks of loss. Our analysis methods generally rely on the assumption that the securities we purchase and sell, the rating and other agencies that review these securities, and other publicly-available sources of information about such securities or markets, provide accurate data. We also assume that traded markets are generally efficient. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information. Investing in financial instruments including securities involves the risk of loss that clients should be prepared to bear. Other material risks relating to investments and securities include, but are not limited to:

- **Market Risk** – market price of securities may go up or down, sometimes rapidly or unpredictably, and can lead clients to lose up to their whole investment. Market risk exists in all types of investments.
- **Currency risks** – form of risk that generally arises from the change in price of one currency in terms of another. Whenever clients have assets or business operations across national borders, they face currency risk if their positions are not hedged. Currency risks may not be always hedged.
- **Commodities Risk** – commodities prices can be very volatile and demonstrate considerable fluctuation within short periods of time.
- **Liquidity Risk** – a particular security or other instrument may be or become difficult to trade or become illiquid. An illiquid asset may become unsellable at any price. Such illiquid asset may reduce the returns because the client may not be able to sell the asset at the time desired for an acceptable price, or might not be able to sell the assets at all.
- **Credit/Counterparty Risk** -- possibility that the issuer or guarantor of a fixed income security, a bank or the counterparty of a derivatives contract will default on its obligation to pay interest and/or principal, which could cause an investor to lose part or all of the investment.
- **High Yield Risk** -- lower-quality debt securities (those of less than investment grade quality, commonly known as “high yield bonds” or “junk bonds”) are riskier, speculative and involve greater risk of default.
- **Interest Rate Risk** – debt securities fluctuate in value as interest rates change. The general rule is that if interest rates rise, the market prices of debt securities will usually decrease and vice versa.
- **Political and Sovereign Risk** – foreign securities may involve the risk of loss due to political, economic, regulatory, and operational uncertainties and currency fluctuations. In particular in relation to emerging markets, clients should be aware that all of these risks may be heightened. Investing in foreign or emerging markets is generally intended only for clients who are able to bear and the increased risk.

We work to mitigate the above risks by monitoring, among others, the markets, economic conditions, industries concerns and changes to general outlooks on corporate earnings, regulatory developments, political changes, monetary and fiscal policy, changes to interest or currency rates or adverse investor sentiment in general.

**Different financial instruments involve different levels of exposure to risk. Hence some financial instruments may be inappropriate to your circumstances and/or ability to bear risk.**

### **9. Disciplinary Information**

Envisage has not been involved in any legal or disciplinary events that would be material to a client's evaluation of the company or its personnel.

### **10. Other Financial Industry Activities and Affiliations**

Envisage does not maintain affiliations with other firms apart from contracted service providers and firms to which Envisage provides services.

### **Material Relationships or Arrangements & Material Conflicts of Interest**

Envisage is an owner controlled entity and has no strong relationships or ownership affiliations with any other entity. Envisage places a very high importance on independence because we strongly believe independence is critical for providing impartial advice and reducing conflicts of interests.

Envisage does not have or develop its own in-house mutual or other investment funds. We therefore do not have the conflicts of interest inherent in having in-house investment products or investment funds and maintain full independence in the advice we provide.

**Protecting Client Interests**

Envisage ensures the proper separation of client records, advice and recommendations. Information will be segregated or encrypted as necessary.

Envisage has a Compliance Manual, which includes our Code of Ethics (see Item 11) and defines Envisage's operational standards and procedures to avoid any leakage of confidential information to anyone not involved in the context of a client's specific and mandated Advisory Services.

**Additional information about Envisage business**

Additional information on Envisage and our services may be obtained at the Envisage website at [www.envisage.ch](http://www.envisage.ch)

Envisage completes a Form ADV Part 1, which contains additional information about its business, including legal or disciplinary events. This document is filed with the SEC and is publicly available through the SEC website. Please see: <http://www.adviserinfo.sec.gov/IAPD/default.aspx>

**11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Envisage has adopted the CFA Institute [www.cfainstitute.org](http://www.cfainstitute.org) "Asset Manager Code of Professional Conduct" (The Code) as its code of ethics. This is applicable to all management persons, employees and other persons involved in our Advisory Services. Clients may obtain the entire Code upon request or download it at <http://www.cfapubs.org/doi/pdf/10.2469/ccb.v2009.n8.1>

**Focus on the Client's Best Interest**

Among other things, the Code requires to:

- Act in our clients' best interests
- Abide by all applicable laws and regulations
- Avoid even the appearance of insider trading
- Report on personal securities transactions

Employees of Envisage are not compensated in any way with product sales commissions. The compensation incentive system of Envisage does not focus on product sales, instead it cultivates a culture of client service and long-term solutions.

**Standards and Procedures**

Envisage management will monitor and manage strict standards and procedures in order to maintain operational integrity and compliance. Envisage endeavors at all times to put the interests of our clients first as part of our fiduciary duty as a registered investment adviser. We take the following steps to address and mitigate possible conflicts of interest:

- We disclose to clients the existence of all material conflicts of interest
- We collect, maintain and document relevant client background information, including the regular reviews to verify that the recommendations made to a client are suitable to the client's needs and circumstances
- Employees are prohibited from trading alongside client accounts; furthermore, our employees must report their private trading activities on a regular basis to ensure that they do not engage in improper transactions
- Our incentive system focuses employees' efforts on service, proper advice and personalized solutions rather than product sales. Envisage employees are not compensated with sales commissions or volume-based bonuses
- We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable, factual and independent basis for investment advice provided to clients

## 12. Brokerage Practices

### Selection of Custodians and Trading Counterparties

Envisage does not offer any direct securities brokerage services. All brokerage services that Envisage would use for the purpose of its Advisory Services are conducted via 3<sup>rd</sup> party custodian banks. Certain types of securities or commodities may also be traded via specialized third-party brokers. Envisage knows and works with a number of Swiss banks ("Preferred Institutions") who may provide Envisage and its clients with service, pricing advantages and discounts (as discussed in item 4).

Envisage generally recommends that its clients arrange for their assets to be held under custody with such Preferred Institutions. Under certain circumstances Envisage may accept Mandates where clients elect to have their accounts held in custody by firms other than the Preferred Institutions. The Preferred Institutions aim at providing all trades on best execution terms in accordance with local laws. They may at their discretion also use other banks or brokers/dealers in the delivery of trade services. Based on our experience, Envisage has concluded that the Preferred Institutions are as good or better than other firms that have been considered. Envisage regularly evaluates the pricing and services offered by the Preferred Institutions and other trading counterparties with those offered by other reputable firms in order to determine whether the Preferred Institutions and other chosen custodians and trading counterparties provide our clients with good services at competitive prices.

### Use of Soft Dollars

According to the rules of the SEC it is permissible for an investment advisor to use "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Envisage does not make use of "soft dollars". Envisage may in the future make use of "soft dollars" to obtain research and brokerage services which may include, but are not limited to, such items as research reports, certain financial newsletters or trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data, certain valuation and pricing data and economic data); advice from brokers on order execution; and certain proxy services.

## 13. Review of Accounts

As Envisage currently has no managed accounts, no review of accounts takes place. Should Envisage again start directly managing client assets, the portfolios of all clients with Discretionary Mandates are reviewed regularly, at minimum quarterly. Transactions in accounts are reviewed by Envisage on a regular basis. The securities owned by our clients are reviewed whenever significant news affecting those securities is announced. Significant changes in markets, stock, bonds or asset prices may also trigger a review. Various other circumstances may also result in review of accounts.

For both Discretionary and Non-Discretionary Mandates, Envisage has employed partner bank portfolio administration systems and performance analysis tools that allow us to provide clients with a variety of account and performance reports. The partner custodian banks publish statements on at least a quarterly basis. Clients should carefully review these statements and should contact Envisage if they believe there are any discrepancies or mistakes.

## 14. Client Referrals and Other Compensation

Envisage may pay a referral fee to individuals or firms for identifying and introducing prospective clients to Envisage. This will be disclosed to clients as a matter of course.

## 15. Custody

The securities in Clients' accounts are generally held in custody by independent custodian banks or financial services custodians and by Preferred Institutions as discussed in item 12 above. Envisage does not maintain physical possession of funds or securities of any client.

## 16. Investment Discretion

Should Envisage be hired to provide discretionary portfolio management services, Envisage would have complete investment discretion over the clients' discretionary accounts and place trades in the client's account without obtaining specific permission from the client prior to each trade. Envisage

discretionary authority includes the ability to determine the securities to buy or sell, as well as the amount of the security to buy or sell.

Clients give investment discretion to Envisage by signing a discretionary mandate. In this mandate, clients may also include reasonable investment restrictions. These are generally documented in the IPS.

### **17. Voting Client Securities**

Envisage does not have the authority to vote client proxies. If Envisage inadvertently receives any proxy materials on behalf of a client, Envisage will promptly forward such materials to the client. Envisage will employ proxy voting guidelines and proxy voting procedures, as outlined in Envisage's Compliance Manual. Clients may request a copy of these policies and procedures. Upon written request, clients can also take responsibility for voting their own proxies, or can give Envisage instructions about how to vote their respective shares.

### **18. Financial Information**

Envisage has never filed for bankruptcy and is not aware of any financial condition that would be expected to affect its ability to manage client accounts.