



**March 2022**

**Firm Brochure**  
(Part 2A of Form ADV)

BiscayneAmericas Advisers LLC  
1111 Brickell Avenue, Suite 2750  
Miami, Florida 33131

[www.biscayneamericas.com](http://www.biscayneamericas.com)

**ITEM 1 – COVER PAGE**

This brochure provides information about the qualifications and business practices of BiscayneAmericas Advisers LLC. If you have any questions about the contents of this brochure, please contact us at 305-577-0995, or via email to: [compliance@biscayneamericas.com](mailto:compliance@biscayneamericas.com) or [ocr@biscayneamericas.com](mailto:ocr@biscayneamericas.com).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

BiscayneAmericas Advisers LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

This Brochure may refer to BiscayneAmericas LLC as: “Biscayne”, “BA”, and/or the “Adviser”.

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

## **ITEM 2 – MATERIAL CHANGES**

BiscayneAmericas Advisers LLC's last annual update to Part 2 of Form ADV was made in March 2021. There has been no material changes to this brochure since the last filing

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

### **ITEM 3 – TABLE OF CONTENTS**

<b>ITEM #</b>	<b>PAGE #</b>
<b>ITEM 1 – COVER PAGE .....</b>	<b>1</b>
<b>ITEM 2 – MATERIAL CHANGES .....</b>	<b>2</b>
<b>ITEM 3 – TABLE OF CONTENTS.....</b>	<b>3</b>
<b>ITEM 4 – ADVISORY BUSINESS .....</b>	<b>4</b>
<b>ITEM 5 – FEES AND COMPENSATION .....</b>	<b>5</b>
<b>ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....</b>	<b>8</b>
<b>ITEM 7 – TYPES OF CLIENTS.....</b>	<b>9</b>
<b>ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....</b>	<b>9</b>
<b>ITEM 9 – DISCIPLINARY INFORMATION.....</b>	<b>15</b>
<b>ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....</b>	<b>15</b>
<b>ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....</b>	<b>16</b>
<b>ITEM 12 – BROKERAGE PRACTICES.....</b>	<b>20</b>
<b>ITEM 13 – REVIEW OF PORTFOLIOS .....</b>	<b>22</b>
<b>ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION .....</b>	<b>23</b>
<b>ITEM 15 – CUSTODY .....</b>	<b>23</b>
<b>ITEM 16 – INVESTMENT DISCRETION.....</b>	<b>24</b>
<b>ITEM 17 – VOTING CLIENT SECURITIES .....</b>	<b>24</b>
<b>ITEM 18 – FINANCIAL INFORMATION .....</b>	<b>24</b>

## **ITEM 4 – ADVISORY BUSINESS**

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

BiscayneAmericas Advisers LLC., which is a Florida limited liability company ("Adviser"), acts as the investment adviser to private investment funds (the "Funds") and separately managed accounts (the "Accounts" and together with the Funds, the "Portfolios"). The Adviser was established in 1999. The Adviser is owned 100% by Maite LLC. Maite LLC is owned 100% by Robert Koffler (also CEO & CIO of the Adviser).

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

As investment adviser, the Adviser provides portfolio management services to the Portfolios, which includes investigating, analyzing, structuring and negotiating potential investments, monitoring the performance of investments and advising the Portfolios as to the disposition of investment opportunities.

#### *Separately Managed Accounts*

The Adviser provides investment advisory services to each of the Accounts in accordance with the risk profile and investment mandate of each individual client. All investors are referred to us through third-party financial professionals that are affiliated with outside investment adviser firms and/or broker-dealer firms. Your primary financial professional will discuss your investment goals and design a strategy to try and achieve your investment goals. Clients may impose restrictions on the management of their Accounts by restricting the Adviser from purchasing (or selling) particular securities or types of investments. Clients should be aware that performance of restricted Accounts may differ from performance of Accounts without such impediments, possibly producing lower overall results. All clients are referred through third-party investment adviser firm and/or Broker Dealers. Securities are held with custodian at introducing firm.

#### *BAPS*

The Adviser acts as an investment adviser to private incorporated cell companies of BiscayneAmericas Portfolio Series ICC ("ICC"), an incorporated cell company organized and existing under the laws of Jersey, Channel Islands. BAPS acts as a special purpose investment vehicle program to securitize and manage a portfolio of securities, assets, and/or investment in general.

The Adviser provides investment advisory services to each of the private incorporated cell companies by managing each of their portfolios in accordance with the objectives and guidelines of the private investment companies as stated in their applicable offering documents.

#### *Private Equity Funds*

The Adviser acts as a discretionary investment adviser to private equity funds structured under the BA Tech Partners GP LLC (the "GP"). The BA Tech Partners GP LLC acts as the General Partner for the following funds: the BA Tech Master Fund LP (including its Feeder Funds), the Ngena Investments SPV LP ("NIS") and the ABL SPV LP; collectively may be referred to as the "BA Private Equity Funds".

The BA Tech Master, LP (the “Master Fund”) is a Cayman Islands limited partnership. The Master Fund has two feeder funds: the BA Tech Partners, LP, a Delaware limited partnership (the “Onshore Fund”) and the BA Tech (International), LP, a Cayman Islands exempted limited partnership (the “Offshore Fund”); collectively refer to as the “Feeder Funds”). The “Master Fund” and the “Feeder Funds” collectively may be referred to as the “BA Tech Funds”, or the “BA Tech Fund”.

The BA Tech Fund “Feeder Funds” were formed to pool the capital of certain qualified U.S. and non-U.S. investors into the Master Fund. The Master Fund was organized for the purpose of investing substantially all of its assets in Investments in transactions derived from the provision of Cisco information technology hardware, software and/or services to end customers.

The Ngena Investments SPV LP is a Cayman Islands exempted limited partnership. The Ngena Investments SPV LP was formed to pool the capital of certain qualified U.S. and non-U.S. investors and organized for the purpose of investing substantially all of its assets in one or a series of transactions relating to the acquisition of equity or debt issued by “ngena GmbH (“Ngena”) or any affiliated entities. .

The ABL SPV LP is a Cayman Islands exempted limited partnership. The ABL SPV LP was formed to pool the capital of certain qualified U.S. and non-U.S. investors and organized for the purpose of investing substantially all of its assets in one or a series of transactions relating to the acquisition of equity or debt issued by “abl social federation GmbH (“abl”) or any affiliated entities.

The investment objectives and strategies of the BA Private Equity Funds advised by the Adviser are further described in detail in the Funds' offering memorandum, limited partnership agreements, subscription documents and investment management agreement which are available upon request. Each of the BA Private Equity Funds have their own independent auditors, custodians, legal counsels, and fund administrators.

#### *FlexETP Program Notes*

The FlexFund ETP Program creates multipurpose investment vehicles of customized strategies, allowing clients the opportunity to invest in securities tied to loan and equity agreements.

The Adviser provides investment advisory services to each of the notes within the program by managing in accordance with the objectives and guidelines of the respective notes as stated in their applicable offering documents. Each note has its own independent auditors, placement agents and independent administrator.

#### **Assets Under Management**

As of December 31st, 2020, the Adviser had a total assets under management of \$693,965,521. All assets are managed on a discretionary basis.

### **ITEM 5 – FEES AND COMPENSATION**

#### **Adviser’s Management Fees and Calculation Methods by type of Advisory Services**

The Adviser management fees and calculation methods may vary by the different types of advisory services; further explained below:

### Separately Managed Accounts

The specific manner in which fees are charged by the Adviser for Accounts is established in a client's written agreement with the Adviser. Generally and pursuant to contract, fees for the management of the Funds will be based upon a percentage of the total market value of the gross assets in the account.

The management fees applicable to Accounts are negotiable but will generally be between 0.05% and 2% per annum. The Adviser's actual fees, minimum fees, and minimum account sizes may also be negotiated and may vary from the fees described above. A client may pay more or less fees than similar clients depending on the particular circumstances of the client, size, additional or differing levels of servicing or as otherwise agreed with specific clients.

The advisory fees may be calculated and paid differently pursuant to each Account contract. Typically, the advisory fees are calculated and paid in one of the following formats:

- a) Generally, the fees are calculated on a monthly basis using the market value of all gross assets as of the end of the last trading day of each calendar month, and fees payable quarterly basis in arrears.
- b) In some cases, fees may be calculated on quarterly basis using the average of market value of all gross assets in the Account on the last trading day of each calendar month, and fees are payable quarterly in arrears.
- c) In some cases, fees may be calculated using the market value of all gross assets in the Account on the last trading day of each quarter, and fees are payable in a quarterly basis in advanced.

Generally, clients are billed through their respective bank/custodian for management fees. In some circumstances, the bank/custodian will calculate and directly deduct the advisory fees directly from the clients' account.

The Advisory fees shall be pro-rated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee.

The banks/custodians may charge additional fees and charges to the clients in addition to and separated from the Adviser management fees; see further details on section below called "Other Fees and Expenses".

### BAPS

The specific manner in which fees are charged by the Adviser for incorporated cells is established in the offering documents applicable to each incorporated cells. The advisory fees applicable to each cell vary, but generally range between 0.4% and 1.5%.

This advisory fee is generally accrued daily and payable by the incorporated cell in advance, on a monthly, quarterly or upfront basis.

The Adviser also receives other compensation related to the incorporated cells, as approved by their board of directors, for other services performed, directly or indirectly, by the Adviser or its affiliates.

Further details regarding the incorporated cells, including the associated advisory fees, sponsor fees, expenses and investment strategies, are described in each cell's offering document.

The advisory fee paid by each of the private incorporated cell companies is calculated based on a fixed percentage of the principal amount of the investment and payable by the obligor either in advance, monthly or quarterly, in arrears, to the Adviser.

The Adviser invoices the private incorporated cell companies directly for management fees, and the administrator of the cell companies review and process the payment to the Adviser.

#### Private Equity Funds

In consideration for services provided to the BA Private Equity Funds, the Adviser will receive Management fees as established under the Investment Adviser Agreements with each Fund. Currently, the Private Equity Funds management fee is based on an annual percentage of the Capital Under Management of each Limited Partner; the annual percentages ranges from 0.50% to 2.00%.

The Management Fee is payable in advance and calculated as of the first day of each calendar quarter. A pro rata Management Fee will be charged to the Fund's Limited Partners on any amounts permitted to be invested during any fiscal quarter.

The Fund Administrator is responsible for calculating the management fee payable to the Fund Adviser each quarter. Once the Fund Administrator provides the information to the Adviser, the Adviser instructs the Fund's Custodian to debit the Fund's custody account for the amount of the management fee provided by the Fund Administrator and to remit the payment to the Adviser. All management fee payments are revised and reconciled by the Fund Administrator.

#### FlexETP Program Notes

The manner in which fees are charged by the Adviser for the FlexETP Note is established in the offering documents applicable to each note. The advisory fees applicable to each note may vary depending on each note structure and/or agreement.

The advisory fee paid by each of the notes is calculated may be based on a fixed amount or a percentage of the principal amount of the note. The fees are payable by each note obligor. The fees may be payable in advance or in arrears basis, quarterly or annually basis, and/or in on an upfront basis; based on the respective agreements negotiated for each note. Generally, the fees may range around 0.07% to 1.5% of the principal amount of the note.

Management fees are invoiced and collected by the distributor of the program and directly remitted to the BiscayneAmericas Advisers.

#### **Other Fees and Expenses**

In addition to investment management fees, investors in the Funds directly and indirectly bear any other costs charged to the Funds, which typically include, though are not limited to, accounting, legal, fund administration fees and other related costs or operational expenses.

Furthermore, with respect to all clients, the Adviser's fees are calculated after deduction of brokerage commissions, transaction fees, and other related costs and expenses which shall be

incurred by the client. The impact of mark-ups and mark-downs shall also be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. All such charges, fees and commissions are in addition to the Adviser's fee, and the Adviser, in addition to the advisory fee, and its related parties may receive any portion of these commissions, fees, and costs. (See Items 10 and 12 for further details on related parties.)

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

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

If a client and the Adviser agree in writing, the Adviser may be entitled to an incentive fee, or performance allocation payable at the end of each calendar quarter or when otherwise payable, generally equal to a range of 10% to 20% of any net capital appreciation in an Account above the "Hurdle" and "High Water Mark" (as defined below). The Adviser will not be paid any incentive fee in respect of an Account until the net asset value of such portfolio exceeded the High Water Mark. The High Water Mark for each Account is equal to the net asset value of such Account as of the last date on which an incentive fee was paid to Adviser with respect to such Account, as adjusted by the amount of such incentive fee, as well as any deposits or withdrawals. If no incentive fee has been paid to Adviser with respect to such Account, the High Water Mark will be the amount of the client's opening Account balance.

The "Hurdle" with respect to each Account may vary, depending upon the agreement between Adviser and each such client, influenced by such client's risk profile.

At the sole discretion of the Adviser, the management fee and the incentive fee may be rebated with respect to certain clients. Further, the Adviser may elect prior to each calendar year to defer the receipt of any incentive fee that it might otherwise receive in such year.

As described above, the Adviser manages Accounts that may include a performance based fee. However, the Funds only pay an advisory fee and fees for other services, as may be approved by the boards of directors of the Funds, from time to time. Performance based fee arrangements may create an incentive for the Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Performance fee arrangements may also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. The Adviser has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Investment decisions for the Funds are made independently from those for the Accounts managed by the Adviser. The Adviser may have other clients and Accounts with investment objectives similar to those of the Funds as discussed in Item 10. The Adviser is permitted to make an investment decision on behalf of the Funds that differs from decisions made for, or advice given to, Accounts even though the investment objectives may be the same or similar, provided that the Adviser acts in good faith and follows a policy of allocating over a period of time investment



opportunities to the Funds (where applicable) on a basis intended to be fair and equitable relative to the Accounts, taking into consideration the investment policies and investment restrictions to which such Accounts and the Funds are subject. The Adviser has a fiduciary duty to act in the best interest of all its clients and it ensures that all clients are treated fairly.

## **ITEM 7 – TYPES OF CLIENTS**

The Adviser provides portfolio management services to private investment funds as well as individuals, corporations, banking or thrift institutions, investment companies, insurance companies, trusts, estates or charitable organizations, and other entities.

The minimum dollar value for establishing an Account is generally \$100,000 which may be waived by the Adviser, in its sole discretion.

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

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

The Adviser adheres to a long-term strategic approach aiming to enhance the return of client portfolios, with a benchmark agnostic general style, while seeking to meet the investment objectives of capital preservation, income and/or capital appreciation, as per the client's directives. The principal focus of the Adviser's business is providing investment management services relating to investment in global and emerging markets' fixed-income and ETF securities across asset classes.

The Portfolios managed by the Adviser seek returns on a risk-adjusted basis, with controlled volatility and generally low correlation to the broader markets it participates in. The Portfolios' primary investment objective is to maximize total return via current income and capital appreciation. However, certain tailored mandates managed by the Adviser may have the simple objective of enhancing the return of client's short term securities. Under normal market conditions, the majority of the segregated Portfolios will invest in a pool of fixed income securities and ETFs.

For certain vehicles or accounts managed or advised by the Adviser, equities, warrants, mutual funds, futures (tangibles and intangibles), options, currencies, commodities and other derivative instruments (including options and swaps) may also be used. Those Portfolios may sell short certain securities or indexes for hedging purposes and/or to enhance returns.

The Adviser uses qualitative and quantitative proprietary third party research and proprietary analytical modeling systems to search for undervalued securities offering current income and/or opportunities for future capital appreciation. On the fixed income side, the Adviser performs country and credit analysis of debt issuers and seeks to maintain a diversified portfolio to generally limit exposure to any given credit. The Adviser also analyzes macro-economic cycles and structural adjustments as part of the asset allocation decision.

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

While it is the intention of the Adviser to implement strategies designed to minimize potential losses suffered by its client, there is no assurance that such strategies will be successful. It is

possible that a client may lose a substantial proportion or all of his, her or its assets in connection with investment decisions made by the Adviser. The following is a discussion of material risks for the Adviser's significant investment strategies, but it does not purport to be a complete explanation of the risks involved the Adviser's investment strategies. There is no guarantee that in any time period, particularly in the short term, a client's portfolio will achieve appreciation in terms of capital growth or that a client's investment objective will be met by the Adviser.

*Risks of Investing in Non-Investment Grade and Lower-Rated Securities.* The Adviser may invest a substantial amount of its assets in higher-yielding, lower-rated debt securities, commonly known as "junk bonds." Depending on the particular investment mandate applicable to a Portfolio will affect the amount of the Portfolio's assets that could be invested in these types of securities. These types of securities may be subject to greater market fluctuations and risk of loss of income and principal than lower-yielding, investment grade securities. There may be less of a market for them and therefore they may be harder to sell at an acceptable price. There is a relatively greater possibility that the issuer's earnings may be insufficient to make the payments of interest and principal due on the bonds. The issuer's low creditworthiness may increase the potential for its insolvency.

Further, a decline in the high-yield bond market is likely during an economic downturn. An economic downturn or an increase in interest rates could severely disrupt the market for high-yield securities and adversely affect the value of outstanding securities and the ability of issuers to repay principal and interest. These risks mean that the Adviser may not achieve the expected income from lower-grade securities and that the Portfolio's net assets may be affected by declines in the value of these securities. The Adviser is not obligated to dispose of securities when issuers are in default or if the rating of the security is reduced.

*Interest Rate Risk.* Generally, fixed income securities decrease in value as interest rates rise and vice versa. Certain types of fixed income securities, such as inverse floaters, are designed to respond differently to changes in interest rates. Fixed income securities generally are subject to risks related to changes in interest rates and in the financial health or credit rating of the issuers. The value of a fixed income security typically moves in the opposite direction of prevailing interest rates: if rates rise, the value of a fixed income security falls; if rates fall, the value increases. The maturity and duration of a fixed income instrument also affects the extent to which the price of the security will change in response to these and other factors. Longer term securities tend to experience larger changes than shorter term securities because they are more sensitive to changes in interest rates or in the credit ratings of the issuers. The average duration of a fixed income fund measures its exposure to the risk of changing interest rates. A Portfolio with a lower average duration generally will experience less price volatility in responses to changes in interest rates as compared with a Portfolio with a higher duration.

*Credit Risks.* The Portfolio's investments are subject to credit risks. Credit risk relates to the ability of the issuer of a debt security to make interest or principal payments on the security as they become due. Generally, higher-yielding, lower-rated bonds are subject to greater credit risk than higher-rated bonds. While the Adviser may rely to some extent on credit ratings by nationally recognized rating agencies in evaluating the credit risk of securities selected for the Portfolios, it may also use its own research and analysis. There are many factors that affect an issuer's ability to make timely payments, and there can be no assurance that the credit risks of a particular security will not change over time.

*Volatility Risk.* The value of a Portfolio is based on the market prices of the securities the Portfolios hold. These prices change daily due to economic and other events that affect markets generally, as

well as those that affect particular regions, countries, industries, companies or governments. These price movements, sometimes called volatility, may be greater or lesser depending on the types of securities the Portfolios own and the markets in which the securities trade. Fixed income securities, regardless of credit quality, experience price volatility, especially in response to interest rate changes. As a result of price volatility, there is a risk that an investor may lose money by investing in the Portfolios.

*Illiquid and Restricted Securities Risk.* Investments held by the Portfolios may be illiquid because of the absence of an active trading market, making it difficult to value them or dispose of them promptly at an acceptable price. A restricted security is one that has a contractual restriction on its resale or which cannot be sold publicly until it is registered under the Securities Act. To the extent that the Portfolios hold illiquid investments or restricted securities, the Portfolios may be required to sell their more liquid holdings in order to satisfy withdrawals or other liquidity requirements, thereby increasing the percentage of illiquid or restricted securities held by the Portfolios.

*Hedging Instruments and Risks.* Depending on the investment mandate applicable to a particular Portfolio and restrictions, Adviser may purchase and sell certain kinds of futures contracts, put and call options, forward contracts, and options on futures, securities indices and securities, or enter into interest rate swap agreements in the Portfolios. The Adviser may also buy and sell options, futures and forward contracts for a number of purposes. It may do so to try to manage exposure to the possibility that the prices of the Portfolios may decline, or to establish a position in the securities market as a temporary substitute for purchasing individual securities. It may do so to try to manage its exposure to changing interest rates. Some of these strategies, such as selling futures, buying puts and writing covered calls, hedge the Portfolios against price fluctuations.

Other hedging strategies and investment return enhancement, such as buying futures and call options, tend to increase the Portfolio's exposure to the securities market. Forward contracts may be used to try to manage foreign currency risks on the Portfolio's foreign investments. Foreign currency options may be used to try to protect against declines in the dollar value of foreign securities the Portfolios own, or to protect against an increase in the dollar cost of buying foreign securities. Writing covered call options may also provide income to the Portfolios for liquidity purposes or to raise cash to distribute to Shareholders.

The hedging investments used by the Adviser can be volatile investments and may involve special risks. The use of hedging instruments requires special skills and knowledge of investment techniques that are different than what is typically required for managing a portfolio of equities and debt securities. If the Adviser uses a hedging instrument at the wrong time or judges market conditions incorrectly, hedging strategies may reduce returns. The Portfolios could also experience losses if the prices of its futures and options positions were not correlated with its other investments or if it could not close out a position because of an illiquid market for the future or option. The Adviser may not necessarily use hedging strategies to reduce risk.

Options trading involve the payment of premiums and have special tax effects on some Portfolios. There are also special risks in particular hedging strategies. For example, if a covered call written by a Portfolio is exercised on an investment that has increased in value, the Portfolio will be required to sell the investment at the call price and will not be able to realize any profit if the investment has increased in value above the call price. The use of forward contracts may reduce the gain that would otherwise result from a change in the relationship between the U.S. dollar and a foreign currency. Interest rate swaps are subject to credit risks (if the other party fails to meet its obligations) and also to interest rate risks. Portfolios could be obligated to pay more under its swap agreements than it receives under them, as a result of interest rate changes.

*Derivative Instruments Risk.* There are special risks in investing in derivative investments. The company issuing the instrument may fail to pay the amount due on the maturity of the instrument. Also, the underlying investment or security might not perform the way the Adviser expected it to perform because the financial markets, underlying securities, indices or other economic variable may move in a direction not anticipated by the Adviser. Performance of derivative investments may also be influenced by interest rate and stock market changes in the U.S. and abroad. Accordingly, the Portfolios may realize less principal or income from the investment than expected. Certain derivative investments held by the Portfolios may be illiquid.

Depending on the particular investment mandate and restrictions of a Portfolio, the Adviser may invest in a number of different kinds of derivative investments. The Adviser may use some types of derivatives for hedging purposes, and may invest in others because they offer the potential for increased income and principal value. In general, a “derivative investment” is a specially-designed investment whose performance is linked to the performance of another investment or security, such as an option, future, index, currency or commodity.

*Foreign Securities.* The Adviser may, depending on the particular investment mandate and restrictions of the Portfolio, purchase debt securities (which may be denominated in U.S. dollars or in non-U.S. currencies) issued or guaranteed by foreign governments. See also Interest rate risk and Social political and political risk.

*“When-Issued” and “Delayed Delivery” Transactions.* The Adviser may, when a Portfolio mandate allows, purchase securities on a “when-issued” basis and may purchase or sell securities on a “delayed delivery” basis. These terms refer to securities that have been created and for which a market exists, but which are not available for immediate delivery. There may be a risk of loss to the Portfolios if the value of the security declines prior to the settlement date.

*Repurchase Agreements.* Depending on the particular investment mandate of a Portfolio, the Adviser may enter into repurchase agreements. In a repurchase transaction, the Adviser buys a security and simultaneously sells it to the vendor for delivery at a future date. Repurchase agreements must be fully collateralized. If the vendor fails to pay the resale price on the delivery date, the Portfolio may incur costs in disposing of the collateral and may experience losses if there is any delay in its ability to do so.

*Put and Call Options.* The Adviser, depending on the applicable investment mandate of a Portfolio, may buy and sell certain kinds of put options (puts) and call options (calls) for the Portfolios. The Adviser may buy calls on debt securities, security indices, foreign currencies, interest rate futures, interest rate and currency spreads, or terminate its obligation on a call the Adviser previously wrote. The Adviser may write (that is, sell) covered call options. When the Portfolio writes a call, it receives cash (called a “premium”). The call gives the buyer the ability to buy the investment on which the call was written from the Portfolio at the call price during the period in which the call may be exercised. If the value of the investment does not rise above the call price, it is likely that the call will lapse without being exercised, while the Portfolio keeps the cash premium (and the investment). The Adviser may purchase put options for clients. Buying a put on an investment gives the Adviser the right to sell the investment at a set price to a seller of a put on that investment.

*Futures.* The Adviser, depending on the investment mandate of a Portfolio, may buy and sell futures contracts. The Investment Adviser typically will use future contracts if they relate to (i) securities indices (referred to as “financial futures”) and (ii) debt securities (interest rate futures) and does not intend to buy or sell futures contracts relating to physical commodities.

*Forward Contracts.* Forward contracts are foreign currency exchange contracts. They are used to buy or sell foreign currency for future delivery at a fixed price. The Adviser, depending on the investment mandate of a Portfolio, may use them to try to “lock in” the U.S. dollar price of a security denominated in a foreign currency that the Adviser has bought or sold, or to protect against possible losses from changes in the relative values of the U.S. dollar and a foreign currency. The Adviser may also use “cross hedging,” where the Adviser hedges against changes in currencies other than the currency in which a security it holds is denominated.

*Interest Rate Swaps.* In an interest rate swap, the Portfolio and another party exchange their right to receive or their obligation to pay interest on a security. For example, depending on the Portfolio mandate and restrictions, they may swap a right to receive floating rate payments for fixed rate payments.

*Temporary Defensive Investments.* When the Adviser believes that changes in the markets or new investments in a Portfolio warrant such action, depending on the investment mandate of a Portfolio, may hold cash or cash-equivalents or invest without limit in certain short- and medium-term fixed income securities for temporary purposes. When investing in this manner, the Adviser may not be able to achieve its investment objective. If the Adviser incorrectly predicts the effects of the economic, financial or political conditions, investing in such a defensive manner may adversely affect a Portfolio’s performance.

*Leverage.* Although the Adviser does not encourage the use of Leverage, the Adviser may make use of leverage when a client specifically request the use of leverage within investment mandate of the portfolio. The use of leverage increases the risks of the portfolios. While leverage presents opportunities for increasing the portfolio’s total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment portfolio would be magnified to the extent the portfolio is leveraged. The use of leverage/margin could result in a substantial loss which would be greater than if the portfolio was not leveraged.

The use of leverage may create interest expenses for the investor, which can exceed the investment return from the borrowed funds. To the extent the investment return derived from securities purchased with borrowed funds exceeds the interest cost of the leverage/margin, the investment return will be greater than if leverage were not used. Conversely, if the investment return from the assets acquired with borrowed funds is not sufficient to cover the cost of leveraging/margin, the investment return of the portfolio will be less than if leverage were not used.

Furthermore, should the securities pledged to brokers to secure the investor’s margin account decline in value, the account could be subject to a “margin call,” pursuant to which the investor must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged Securities to compensate for the decline in value, which could result in substantial losses. The use of leverage will increase the volatility of the portfolio returns and will compound any negative returns.

*Social, Political and Economic Risks.* Emerging market countries in which the Adviser primarily will invest client assets may be subject to a substantially greater degree of social, political and economic instability than is the case with developed countries. Social, political and economic instability might impair the financial condition of issuers or significantly disrupt the principal financial markets in which the Adviser invests, which would adversely affect the value of the Portfolio’s investments.

The economies of emerging market countries may differ favorably or unfavorably and significantly from the economies of developed countries in certain respects including the rate of growth of gross domestic product or gross national product, rate of inflation, currency depreciation, capital reinvestment, savings rates, fiscal balances, resource self-sufficiency, structural unemployment and balance of payments position. The governments of many of these countries have exercised and continue to exercise substantial influence over many aspects of the private sector and own or control many companies, including some of the largest in their respective countries. Accordingly, government actions in the future could have a significant effect on economic conditions in one of these countries, which could affect private sector companies and, depending on market conditions, prices and yields of securities in the Portfolios. There exists the possibility that nationalization, asset expropriations or confiscatory levels of taxation in the future may adversely affect the Portfolios. In the event of nationalization, expropriation or other confiscation, the Portfolios may not be fairly compensated for its losses and might lose its entire investment in the country involved.

The economies of emerging market countries are heavily dependent upon international trade and, accordingly, are affected by protective trade barriers and the economic conditions of their trading partners. The enactment by the United States or other principal trading partners of protectionist trade legislation, reduction of foreign investment in the local economies, and general declines in the international securities markets could have a significant adverse effect upon the securities markets of these countries. The economies of emerging market countries are vulnerable to weaknesses in world prices for their commodity exports and natural resources.

Emerging market countries are large debtors to commercial banks, foreign governments, and supra-national organizations. Several such countries have defaulted on this debt and/or negotiated with foreign creditors to restructure such debt or may enter into such negotiations in the future. Obligations arising from past restructuring agreements have affected, and those arising from future restructuring agreements may affect, the economic performance and political and social stability of these countries.

*Material Risks for Particular Types of Securities.* The Adviser primarily invests in fixed-income instruments, but from time to time also may invest in equity securities. The material risks involved with these securities are generally described above.

*Risks of Private Placements including Private Placements Managed by Adviser.* A security exempt from registering with the U.S. Securities and Exchange Commission and state securities regulator is often referred to as a private placement or unregistered offering.

- Only an “accredited” investor should invest in a private placement offering. To qualify as “accredited” investor, the investor must (a) have a net worth (not including primary residence) of at least \$1 million, or (b) have an income exceeding \$200,000 in each of the 2 most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year.
- Private placement offerings often are speculative, high risk and illiquid investments. An investor can lose his or her entire investment in a private placement offering.
- Private placement offerings are not subject to same laws and regulations, which are designed to protect investors, as registered securities offerings.
- Private placement offerings have not been reviewed by a regulator to make sure risks associated with the risks of private placement investment have been adequately disclosed to prospective investors.



- Private placement offerings often project higher rates of return, but this is typically because the risks of the underlying the private placement investment are also higher.
- Private placement offerings are generally illiquid, meaning there are limited opportunities to resell the underlying security of the private placement. Therefore, an investor may be forced to hold the private placement security indefinitely.
- Investors in a private placement offering are usually provided with less disclosure information than they would receive in a public securities offering. Consequently, investors know much less about the private placement investment and the people behind it.
- Before investing in a private placement offering, an investor should carefully read and fully understand the subscription agreement and the offering memorandum/private placement memorandum.

## **ITEM 9 – DISCIPLINARY INFORMATION**

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

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

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

None of the Adviser or its management persons is registered with the Commodity Futures Trading Commission ("CFTC") as a futures commission merchant ("FCM"), a commodity pool operator ("CPO") or a commodity trading advisor ("CTA"), or an associated person of the foregoing entities.

### **Broker-Dealer Registration**

The Adviser is not registered with the Securities and Exchange Commission (SEC) as a broker-dealer. Currently, none of the Adviser's management and employees are registered nor associated with a broker-dealers.

### **Other Financial Industry Activities or Affiliations**

The Adviser generally does not recommend or select other investment advisers for its clients.

The Adviser is under common control with affiliates Lera Investment Technologies, LLC. ("Lera") a Delaware based, corporation, and its subsidiary, LIT Latam, LLC, also a Delaware based corporation ("LIT"). LIT's primary business model includes purchasing and managing IT equipment primarily from multinational corporations, in the networking equipment industry. The equipment is offered under a right of use to global telecom companies which operate said equipment within cloud and specialized managed services IT solutions.

The Adviser is affiliated to the BA Tech Partners GP LLC (the “GP”), the General Partner of the “BA Private Equity Funds”; the Adviser and its owners are members of the “GP”. Further, the Adviser’s owners have a direct and beneficial interest in the BA Private Equity Funds and the Adviser’s employees may also invest directly in the BA Private Equity Funds. We are also responsible for soliciting new investors into the BA Private Equity Funds. These factors create an incentive for the Adviser to recommend the BA Private Equity Funds. This is a conflict of interest, and consequently the investment advice provided by Adviser is biased.

The “BA Private Equity Funds” subscription documents and agreements clearly explain the conflicts interest due to this affiliation. BA will ensure that, if any potential and actual conflicts exist, client interests will take precedence. Furthermore, prior to executing any transactions where there are actual and potential conflicts of interest, the “BA Private Equity Funds” requires the prior consent of the LP Advisory Committee and a Majority in Interest of the Limited Partners of the “BA Private Equity Funds”.

An Investment Management Agreement is in place between each of the BA Private Equity Funds and the Adviser. The BA Private Equity Funds have their own independent auditors, bank/custodians, legal counsels, and fund administrators.

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

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

The Adviser has adopted the Code of Ethics and Policy and Procedure Designed to Prevent Insider Trading (together, the “Code”) pursuant to Rule 204A-1 of the Advisers Act. The Adviser expects all employees to act with honesty, integrity and professionalism and to adhere to federal securities laws.

All officers, directors, partners and employees of the Adviser and any other person who provides advice on behalf of the Adviser and is subject to the Adviser’s control and supervision (collectively referred to as “Supervised Persons”) are required to adhere to the Code.

### **Prevention of Insider Trading**

The Adviser has adopted policies designed to prevent insider trading that are more fully described in the Code. The Adviser’s policy on insider trading applies to securities trading and information handling by all Supervised Persons of the Adviser (including spouses, minor children and adult members of their households and any other relative of a Supervised Person on whose behalf Supervised Person is acting) for their own account or the account of any client of the Adviser.

The Adviser takes its obligation to detect and prevent insider trading with the utmost seriousness. The Adviser may impose penalties for breaches of the policies and procedures contained in the manual, even in the absence of any indication of insider trading. Depending on the nature of the breach, penalties may include a letter of censure, referrals to regulatory and self-regulatory bodies and dismissal.



## **Personal Securities Transactions**

### *Periodic Reports*

The Adviser requires persons who are “access persons” to submit personal brokerage statements relating to the securities held on a quarterly basis.

In the event that any access person intends to purchase or sell a security held in any of the Adviser’s customer accounts, he/she is required to obtain pre-approval from Compliance prior to execution.

### *Review of Personal Securities Reports*

The Chief Compliance Officer (or his designee) is responsible for reviewing the Access Person’s securities’ holdings and securities’ activities, as part of Adviser’s duty to maintain and enforce its Code.

In instances when the Chief Compliance Officer has engaged in personal securities transaction, the Chief Executive Officer shall review the Chief Compliance Officer’s brokerage statements.

### *Restrictions on Personal Securities Transactions*

Unless permission is granted by the Chief Compliance Officer (or his designee), access persons are restricted by the Code from engaging in personal securities transactions involving securities that are:

- currently held in any client’s portfolios;
- actively contemplated for transactions on behalf of clients, even if no buy or sell orders have been placed. This restriction applies from the moment that an employee has been informed in any fashion that any portfolio manager or counselor intends to purchase or sell a specific security;
- involved in a publicly registered offering (both new issues and secondary offerings)

We permit our owners and employees to invest in the BA Private Equity Funds as well as other private securities offerings. Employees seeking to invest in any private offering, including the BA Private Equity Funds, must first be approved, in writing, by our Chief Compliance Officer prior to any purchase or redemption in the private security.

Clients are given first right of opportunity over our employees for approval of investing in a private security or redeeming from the private security.

Private investments like the BA Private Equity Funds are often illiquid which means that the investments can be difficult to trade and consequently limits an investor's ability to dispose of such investments in a timely manner and at an advantageous price.

Additionally, such investments will not register pursuant to the Securities Act of 1933, and therefore investors must complete a subscription agreement showing the investor is an "accredited" investor (as defined by applicable law, rules and regulations) and acknowledge that he or she has read and understands the confidential private placement memorandum and is aware of the various risk factors associated with such an investment.

## **Outside Business Activities of Employees**

Unless otherwise consented to by the Chief Compliance Officer, all employees are required to devote their full time and efforts to the Adviser's business. As such, no person may make use of either his or her position as an employee or information acquired during employment or make personal investments in a manner that may create a conflict, or the appearance of a conflict, between the employee's personal interests and the Adviser's interests. Accordingly, every employee is required to complete a disclosure form and have the form approved by the Adviser's Chief Compliance Officer at the start of employment prior to serving in any capacity, and quarterly thereafter.

## **Reporting Violations**

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

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

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

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

A copy of the Adviser's Code is available upon request. For a copy, please contact the Adviser's Chief Compliance Officer at (305) 577-0995, or send a request via email to: [compliance@biscayneamericas.com](mailto:compliance@biscayneamericas.com) or [ocr@biscayneamericas.com](mailto:ocr@biscayneamericas.com).

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

Persons related to the Adviser (including officers, directors and employees) buy, sell, and have a financial interest in securities recommended to clients. Such persons buy, sell, or have a financial interest in such securities through independent transactions in personal accounts subject to the Code and employee trading supervision described below. Potential conflicts of interest in connection with such transactions are generally disclosed to clients herein and otherwise.

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

The potential conflicts of interest involved in any such transactions are generally governed by the Adviser's Code. Pursuant to the stipulations of the Code, the Adviser or a related person may buy or sell for itself securities that it also recommends to clients. The potential conflicts of interest involved in such transactions are governed by the Code, which establishes sanctions if its

requirements are violated and requires that the Adviser and employees place the interests of the Adviser's clients above their own.

The Adviser and its investment adviser representatives have an economic incentive to recommend or make investments in the BA Private Equity Funds, which is a conflict of interest and biases the objectivity of the advice rendered by Adviser and its investment adviser representatives.

You are under no obligation to invest in the BA Private Equity Funds if offered or recommended to you by our representatives and can instruct Adviser and your investment adviser representative to not make certain investments on your behalf.

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

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

The Adviser can recommend or effect the purchase or sale of securities in which it's related persons or an affiliate, directly or indirectly, has a position or interest, or of which related or affiliated person buys or sells for itself. Such transactions may also include trading in securities in a manner inconsistent with the advice given to Adviser's clients.

Activities and transactions for client accounts can be impaired or affected at prices or terms that can be less favorable than would otherwise have been the case had the Adviser or related persons not pursued a particular course of action with respect to the issuer of the securities. In addition, in certain instances the Adviser's personnel can obtain information about the issuer that could limit the ability of such personnel to buy or sell securities of the issuer on behalf of client accounts.

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

As more fully described above, the Adviser has adopted a Code. Such Code, together with the Adviser's policies and procedures, restrict the ability of certain officers and employees of the Adviser from engaging in securities transactions in any securities that are held in a client's portfolio. Other restrictions and reporting requirements are included in the Adviser's procedures and Code minimizes or eliminates conflicts of interest.

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

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

## **Privacy Policy**

The Adviser considers your privacy our utmost concern. Adviser does not share any information of clients (including underlying investors in the Funds) with non-affiliated third parties, except such information may be disclosed as necessary to process a transaction an investor has requested, to the extent the investor specifically authorized the disclosure, to service providers or joint marketers who agree to limit their use of such information, and to the extent required or specifically permitted by law or reasonably necessary to prevent fraud, unauthorized transactions or liability.

When the Adviser or the Funds disclose non-public personal information of clients to a non-affiliated third party that provides services to the Adviser or the Funds or engages in joint marketing, the Adviser shall:

- notify investors of the possibility of such disclosure; and
- enter into a contractual agreement with the third party that prohibits the third party from disclosing or using the investors' information other than to carry out the purposes for which the information was disclosed to the third party.

In particular, the Adviser and the Funds may enter into, in compliance with the above conditions, an agreement with a non-affiliated third party to store the records of the Adviser clients and investors in the Funds, including electronic and e-mail records.

For more information about the Adviser's privacy policies or to request a brochure describing the Adviser's privacy policies, please contact the Adviser at (305) 577-0995, or send a request via email to: [compliance@biscayneamericas.com](mailto:compliance@biscayneamericas.com) or [ocr@biscayneamericas.com](mailto:ocr@biscayneamericas.com).

## **ITEM 12 – BROKERAGE PRACTICES**

The Adviser is responsible for decisions to buy and sell securities for Portfolio accounts, the selection of brokers and dealers to effect the transactions, and the negotiation of brokerage commissions, if any. As described below, the particular securities and the amounts of such securities, to be purchased and sold are determined by the Adviser consistent with the clients' investment objective, policies and restrictions. Portfolio transactions will be allocated to brokers on the basis of best execution and in consideration of brokerage and the provision of, or payment for, research services. In selecting brokers, the Adviser will consider commission rates, special execution and block positioning capabilities, clearance, settlement and custodial services, financial stability and reputation and the provision of, or payment for, research. Research includes information as to creditworthiness of issuers, market trends, current and historical financial data concerning particular companies and industries, special situations, economic forecasts and general market information, technical and statistical studies, and computer hardware utilized solely by portfolio management personnel of the Adviser in connection with the management of client accounts. Broker-dealers having special capabilities or providing research services may be paid

commissions in excess of those that other broker-dealers without such capabilities or not providing such services might charge. Research and brokerage services furnished by such broker-dealers may be used in servicing all of the Adviser's accounts, and such services need not be used by the Adviser exclusively for the benefit of the specific account(s) for which the Adviser used such broker-dealer to effect transactions. Brokerage firms will not charge the Adviser a separate fee for research services. While the continued provision of such services to the Adviser is not conditioned on the Adviser directing any particular level of transactions to these brokerage firms, such services are provided in consideration of the Adviser's use of such brokerage firms to execute transactions for clients' accounts.

In over-the-counter transactions, primary market-makers are generally employed except where better execution is believed to be obtainable elsewhere. From time to time, the Adviser may purchase or sell securities for clients' over-the-counter trades on an agency basis rather than on a principal basis. In these situations, the broker used by the Adviser may acquire or dispose of a security through a market-maker. The transaction may thus be subject to both a commission and a mark-up or mark-down. The Adviser believes that the use of a broker in such instances is consistent with its duty of obtaining best execution for its clients. The use of a broker can provide anonymity in connection with a transaction. In addition, a broker may, in certain cases, have greater expertise or greater capability in connection with both accessing the market and executing a transaction.

The Adviser may, in its discretion, pay brokers a commission for effecting portfolio transactions in excess of the amount of commission another broker adequately qualified to effect such transactions would have charged for effecting such transactions. This may be done where the Adviser has determined in good faith that such commission is reasonable in relation to the value of brokerage services received. In reaching such a determination, the Adviser would not be required to place or attempt to place a specific dollar value on the brokerage services provided by such broker.

Please refer to Item 14 of this brochure for details regarding our client referral arrangements with third-party broker-dealers/investment advisers. Clients of our *Separately Managed Accounts* program that are referred to us by an unaffiliated investment advisor or broker-dealer will establish accounts through a brokerage platform or other qualified custodian selected by the unaffiliated investment advisor or broker-dealer. Such accounts are established pursuant to the relationship between the unaffiliated investment advisor or broker-dealer and qualified custodian. Unaffiliated investment advisors and broker-dealers that refer clients to Adviser retain the right to designate alternative clearing and custody arrangements similar to those of its preferred brokerage platform/qualified custodian. Therefore, your primary investment advisor or broker-dealer maintain the responsibility to perform due diligence and select brokerage platforms or other qualified custodians.

The Adviser generally has the discretionary authority to determine and direct execution of portfolio transactions within the client's specified investment objectives without prior consultation with the client on a transaction-by-transaction basis. See above in this Item 12 under "Broker-Dealer Section."

Some clients, however, may limit the Adviser's discretionary authority in terms of the selection of broker-dealers or other terms of brokerage arrangements and may direct the Adviser to place transactions for their accounts with a particular broker-dealer, to, among other things, defray consulting fees or other fees. Where a client directs the use of a particular broker-dealer, the Adviser may be unable to achieve most favorable execution of client transactions and the client may pay more in execution fees than if the Adviser was permitted to choose the executing broker. In such cases, the Adviser may not have as much discretion in determining the terms of how an order will

be handled with such broker-dealer and may not be able to freely negotiate commission rates. In addition, the Adviser may not be able to aggregate the client's orders with other client orders to reduce transaction costs. As a result, designating use of a particular broker-dealer may cause a client to pay higher commissions or receive less favorable net prices than would be the case if the Adviser were authorized to choose the broker-dealer through which to execute the transaction for the client's account. Lastly, in an effort to achieve orderly execution of transactions, execution of orders for clients that have designated particular brokers may, in certain circumstances, be delayed until after the Adviser completes the execution of non-designated orders. As such, directed brokerage accounts may bear the market impact (the increase or decrease of market prices of securities transactions) of non-designated order.

### **Aggregation of Trades**

The Adviser has the fiduciary duty to execute orders for its clients fairly and equitably. The Adviser follows written procedures pursuant to which it may, for clients who permit it, and to the extent consistent with best execution, combine purchase or sale orders for the same security for multiple clients (sometimes called "bunching") so that they can be executed at the same time. The procedures followed by the Adviser may differ depending on the particular strategy or type of investment. The Adviser is not required to bunch or aggregate orders if: (1) portfolio management decisions for different accounts are made separately; or (2) the Adviser determines that bunching or aggregating is not practicable. The Adviser may be able to negotiate a better price and lower commission rate on aggregated trades than on trades for accounts that are not aggregated. Where transactions for a client's account are not aggregated with other orders, it may not benefit from the better price and lower commission rate.

Because of prevailing trading activity, it may not be possible to receive the same price or execution on the entire volume of securities purchased or sold. When this occurs, the various prices may, in the Adviser's discretion, be averaged and accounts will be charged or credited with the average price. The effect of such aggregation may operate on some occasions to an account's disadvantage.

### **Errors**

Errors may occur from time to time in transactions for client accounts. The Adviser will generally correct any such errors that are the fault of the Adviser or an affiliate at no cost to the client, other than costs that the Adviser deems immaterial. The Adviser will not be responsible for any errors that occur that are not the fault of the Adviser or any affiliate.

## **ITEM 13 – REVIEW OF PORTFOLIOS**

### **Review of Portfolios**

All Investment Portfolios are reviewed on an ongoing basis by the Portfolio Manager(s), the CIO, the CCO, the operations officers, and/or designated committees or other designees. The Portfolio Manager(s) and the CIO monitor multiple factors that may affect the performance of the portfolios; such as: general economic or market conditions, events affecting individual companies/issuers and/or industries, market liquidity, etc. The CIO and CCO also monitor that the investment portfolios are in compliance with the investment parameters established for each portfolio. In addition, the operations officers review and reconcile the cash and investments positions of each portfolio against the custodian official portfolio statements.



## **Factors Triggering a Review**

Economic and market conditions of a Portfolio may be affected by a development in a particular company or industry.

## **Client Reports**

Clients of the Adviser with discretionary accounts receive monthly reporting for their accounts from their custodians.

Shareholders of the Fund will receive audited annual financial statements and may receive additional financial reports in a quarterly basis directly from the Fund Administrator.

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

### **Compensation for Client Referrals**

Specific to our *FlexETP Program Notes* program (as described in Item 4 and Item 5 of this brochure), we have entered into a formal *Investment Adviser Referral Agreement* with Bolton Securities d/b/a Bolton Global Asset Management, a dually registered broker-dealer/investment adviser firm. Bolton Global Asset Management will refer to Adviser business contacts who, in turn, may refer one or more of their clients and/or prospects to Adviser who become borrowers of funds in products structured through the *FlexETP Program Notes* program. These referrals can result in the creation of an investment product for which Adviser will serve as investment manager. In such situations, Adviser has agreed to pay a portion of the management fee charged for the service to Bolton Global Asset Management. Clients and business contacts receive full written disclosure of this arrangement including a description of the solicitation activities and fee-sharing arrangement.

Other than the preceding arrangement, Adviser currently does not have any solicitor agreements whereby a party unaffiliated with the Adviser is entitled to or receives compensation in the event that such party solicits prospective clients who become the Adviser's clients.

As explained in Item 4 of this brochure, Adviser provides *Separately Managed Accounts* services to clients of unaffiliated investment adviser and broker-dealer firms. Therefore, unaffiliated investment adviser and broker-dealer firms refer or recommend their clients to utilize our *Separately Managed Accounts* service. However, Adviser does not pay unaffiliated investment advisers or broker-dealer firms recommending our services a solicitor or referral fee for client referrals.

## **ITEM 15 – CUSTODY**

The Adviser maintains all securities and funds of its clients with "qualified custodians". At least on a quarterly basis, Clients shall receive an account(s) statement(s) directly from the broker-dealer, bank, or other qualified custodian that holds and maintains such client's assets. Biscayne urges its clients to carefully review these statements and compare them to the account statements, if any, that may be provided by the Adviser. The Adviser's statements and portfolio reports may vary from the statements provided by the qualified custodian because of potential differences in

accounting procedures, reporting dates, and/or valuation methodologies used to value certain securities.

The Adviser's CEO serves as a general partner to the BA Tech Fund. As such, the Adviser is deemed to have custody due to its authority to obtain possession of the assets of the Fund. The Adviser is subject to all applicable provisions of the Custody Rule, which includes either subjecting itself to a surprise annual examination by an independent public accountant (the Surprise Examination Approach) or, alternatively, engaging an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board (PCAOB) to conduct an annual audit of the private fund and deliver audited financial statements to all limited partners or other beneficial owners within 120 days of the end of its fiscal year (the Annual Audit Approach).

## **ITEM 16 – INVESTMENT DISCRETION**

The Adviser generally receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold as well as to select brokers and other services providers. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, the Adviser observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to the Adviser and agreed to in writing. If at any point in time, the Adviser deems it necessary to exceed client mandated guidelines and override the original specifications by which the account should operate, as agreed to in the management agreement, the client must acknowledge such actions and proceed to re-align the mandate or amend the management agreement so that the Adviser can continue operating with discretion, under the allowed parameters.

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

### **Proxy Voting Policies**

The Adviser does not vote proxies on behalf of Separate Account Management service clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us. However, you will have the ultimate responsibility for making all proxy-voting decisions.

## **ITEM 18 – FINANCIAL INFORMATION**

Registered investment advisers are required in this Item 18 to provide you with certain financial information or disclosures about the Adviser's financial condition. The Adviser does not require



prepayment of any fees, has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.