



BRASIL CAPITAL ADVISER LLC

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This brochure provides information about the qualifications and business practices of Brasil Capital Adviser LLC (“BC Adviser”). If you have any questions about the contents of this brochure, please contact us at +1 646 565-8844 or via email at cklotz@brasil-capital.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.

BC Adviser 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 that enables you to determine whether to hire or retain an adviser.

Additional information about BC Adviser also is available on the SEC’s website at www.adviserinfo.sec.gov.

March 25, 2022

ITEM 2 – MATERIAL CHANGES

This is an annual update to the Brochure. No material changes have been made to this Brochure dated March 25, 2022 since the last filing dated November 1, 2021.

Clients and prospective clients are encouraged to read the Brochure in detail and contact us with any question.

Currently, our brochure may be requested by contacting the Chief Executive Officer, Christian Klotz, at +1 646 565-8844 or via email at cklotz@brasil-capital.com.

Additional information about BC Adviser is also available via the SEC's website www.adviserinfo.sec.gov.

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ITEM 4 – ADVISORY BUSINESS

Adviser’s Advisory Business

Brasil Capital Adviser LLC, a Delaware limited liability company (“BC Adviser” or “Adviser”), is an investment manager providing investment management services primarily for institutional and other accredited and qualified clients on a discretionary basis. BC Adviser was established in July 2020 and is held by a group of professionals with meaningful experience in the Brazilian equities market and with sound track record.

The Adviser’s ultimate controlling partners, Messrs. Andre Ribeiro and Ary Zanetta have each over 19 years of experience as portfolio managers.

Types of Advisory Services Adviser Offers

BC Adviser provides its clients with discretionary investment management services mainly focused on Brazilian listed equities. Notwithstanding, such services may also be performed with respect to equity securities issued by non-Brazilian companies that are publicly traded on any exchange worldwide.

Advisory services offered to clients generally follow the same overall investment strategy. Subject to specific asset restrictions that may be set out in certain advisory agreements, purchases or disposals of assets and securities are equitably allocated to all client accounts on a pro rata basis.

BC Adviser serves clients primarily through separately managed accounts and private funds. The services are provided in accordance with the objectives and guidelines applicable to each client, as set out in the applicable agreement which regulates the management of such managed account.

Investment Restrictions

Clients may impose reasonable restrictions on the management of their accounts, including by restricting 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.

Wrap Fee Programs

BC Adviser does not participate, sponsor or act as a portfolio manager for any wrap fee programs.

Assets Under Management

As of December 31, 2021, BC Adviser had assets under management of US\$ 328,926,588, all of which was managed on a discretionary basis.

ITEM 5 – FEES AND COMPENSATION

BC Adviser's Basic Management Fees

The specific manner in which fees are charged by BC Adviser is established in a client's written agreement with BC Adviser. Fees are generally based upon a percentage of the total assets in the account (including margined assets).

Typically, BC Adviser's management fee range between 1% and 2% per annum, charged quarterly and in arrears. In addition to a management fee, BC Adviser can earn an incentive-based fee, or performance fee, with respect to a client's account, determined at the end of a calendar year. The performance fee can range between 20% and 25%, and may be subject to a high water mark. BC 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, liquidity terms, additional or differing levels of servicing or as otherwise agreed with specific clients. Fee arrangements and terms for separately managed accounts are individually negotiated and are only disclosed in the respective agreements relating to such accounts.

Calculation and Deduction of Management Fees

BC Adviser does not, and will not, have the authority to deduct advisory fees or other expenses directly from any separately managed accounts. BC Adviser will charge fees by sending an invoice directly to the client.

Other Fees and Expenses

BC Adviser's fees are exclusive of brokerage commissions (please refer to Item 12 of this brochure), 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, and other third parties such as fees charged by sub-managers, custodial fees, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and charged before BC Adviser's fees, and BC Adviser shall not receive any portion of these commissions, fees, and costs.

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

Prepaid Fees

BC Adviser generally does not charge clients fees in advance.

Compensation for the Sale of Securities

Neither BC Adviser nor its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of investment funds.

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

In addition to management fees, BC Adviser will generally receive a performance fee with respect to each account that it manages. The calculation of the performance fee is described in the applicable agreement which regulates the management of a managed account and it is subject to a benchmark provision.

Currently, all the accounts that BC Adviser manages are charged both a performance-based fee or allocation and a management fee. Because all such accounts are charged consistently, the performance-based fee or allocation arrangements do not create an incentive for BC Adviser to favor certain accounts over other accounts. However, if in the future, BC Adviser manages accounts that are not charged consistently, performance-based fee or allocation arrangements may create an incentive for BC Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements may also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. In such cases, BC Adviser would have 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.

ITEM 7 – TYPES OF CLIENTS

BC Adviser provides investment advisory services primarily for institutional and other accredited and qualified clients on a discretionary basis.

Generally, the minimum dollar value of assets required to establish a separately managed account varies depending on the view of the account's strategy and investors' profile. Moreover, BC Adviser reserves the authority to waive the account minimum as it deems appropriate.

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

General Investment Strategies and Methods of Analysis

BC Adviser's general strategy seeks to achieve above average long-term returns by investing through a single investment portfolio in stocks traded at prices that it considers substantially below their intrinsic value ("value investing"). The investment strategy is mainly focused on Brazilian listed equities. Notwithstanding, investments may also be made for instance in equity securities of non-Brazilian companies that are publicly traded on any exchange worldwide.

Subject to specific asset restrictions that may be set out in certain managed account agreements, purchases or disposals of assets and securities are equitably allocated to all client accounts on a pro rata basis.

The primary basis for BC Adviser's investment decisions is fundamental analysis backed by extensive proprietary research. BC Adviser's portfolio is fairly diversified into a number of issuers (usually 20 to 25 across different sectors).

Throughout the research process, the investment team actively searches for companies presenting the following factors:

- Robust business model;
- Alignment between management team and shareholders; and -
- Stock price failing to reflect the elements above.

The specific investment strategy terms applicable to the managed accounts under BC Adviser's management are described in the relevant agreement which regulates the management of such managed accounts.

Material Risks for Significant Investment Strategies

While it is the intention of BC Adviser to implement strategies which are designed to minimize potential losses suffered by its clients, there can be no assurance that such strategies will be successful. It is possible that a client may lose a substantial portion or all of its assets in connection with investment decisions made by BC Adviser. The following is a discussion of material risks for BC Adviser's significant investment strategies, but it does not purport to be a complete explanation of the risks involved in BC Adviser's investment strategies.

Overall investment risk

All investments in securities risk the loss of capital. There may be increased risk due to the nature of the securities to be purchased and traded by the Funds and the investment techniques and strategies used to try to increase profits. While BC Adviser will devote its best efforts to the management of the Funds' portfolios, it cannot give an assurance that the Funds will not incur losses. Many unforeseeable events, including actions by various government agencies and domestic and international political events, may cause sharp market fluctuations.

Investment objective

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 BC Adviser.

General Economic and Market Conditions

The success of BC Adviser's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic

uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of security prices and liquidity of its clients' investments. Unexpected volatility or liquidity could impair the clients' profitability or result in its suffering losses.

Risks of Securities Activities

All securities investing and trading activities risk the loss of capital. Although BC Adviser will attempt to moderate these risks, no assurance can be given that BC Adviser's investment activities will be successful or that its clients will not suffer losses. To the extent that the managed portfolio is concentrated in securities of a single issuer or issuers in a single industry, the risk of any investment decision made by BC Adviser is increased.

Currency Hedging Techniques

BC Adviser may employ certain currency related transactions in the pursuit of its clients' investment objectives. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. BC Adviser may try to hedge these risks by investing in, among other things, forward currency contracts, but there can be no assurance that such strategies will be implemented, or if implemented, will be effective.

Material Risks for Particular Types of Securities and Instruments

Non-U.S. Securities

Investing in securities of non-U.S. governments and companies that are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Brazilian Markets Securities

BC Adviser may invest, on behalf of its clients, in a wide range of instruments and securities issued by companies, financial institutions and entities located in Brazil. The economic and political conditions in Brazil differ from those in developed markets, and offer less social, political and economic stability. These investments may be volatile and subject to political developments and/or changes in laws, taxes and exchange controls, all of which could adversely affect the net asset value of the portfolios managed by BC Adviser.

Counterparty and Custodial Risk

To the extent that the BC Adviser on behalf of its clients invests in swaps, “synthetic” or derivative instruments, repurchase agreements, forward contracts, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, the clients take the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. This risk may differ materially from those entailed in exchange-traded transactions that generally are supported by guarantees of clearing organizations, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. There are risks involved in dealing with the custodians or prime brokers who settle clients’ trades.

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. BC Adviser has no information applicable to this Item 9.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Broker-Dealer Registration

BC Adviser’s management persons are not registered and do not have applications pending to register with the SEC as a broker-dealer or registered representatives, respectively.

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

BC Adviser is not registered with the Commodity Futures Trading Commission (“CFTC”) as a commodity trading advisor (“CTA”) as it does not trade instruments subject to the CFTC jurisdiction.

Other Material Relationships

BC Adviser is under common control with BC Gestão de Recursos Ltda., a Brazilian investment adviser that manages Brazilian domestic funds and a Cayman Islands private fund (the “Affiliate”).

The Affiliate has been appointed as a “participating affiliate” of the Adviser in connection with the Adviser’s clients within the meaning of the line of no-action letters referred to as the “Unibanco letters”¹. All of the Affiliate’s partners and employees may provide services to the Adviser under a master participating affiliate services agreement signed

¹ See, e.g., ABA Subcommittee on Private Investment Entities, SEC Staff No-Action Letter (Dec. 8, 2005); Royal Bank of Canada, SEC Staff No-Action Letter (Jun. 3, 1998); ABN AMRO Bank, N.V., SEC Staff No-Action Letter (Jul. 7, 1997); Murray Johnstone Holdings Limited, SEC Staff No-Action Letter (Oct. 7, 1994); Kleinwort Benson Investment Management Limited, SEC Staff No-Action Letter (Dec. 15, 1993); Mercury Asset Management plc, SEC Staff No-Action Letter (Apr. 16, 1993); and Uniao de Bancos de Brasileiros S.A., SEC Staff No-Action Letter (Jul. 28, 1992).

between the Advisor and the Affiliate.

BC Adviser does not have any relationships or arrangements that are material to BC Adviser's advisory business or to its clients that BC Adviser or any of its management persons have with any of the following related persons: (i) a broker-dealer, municipal securities dealer, or government securities dealer or broker; (ii) an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund) (other than the private funds managed by the Affiliate); (iii) any investment adviser or financial planner (other than the Affiliate), with the exception of certain distribution and/or referral arrangements described in item 14 below; (iv) a futures commission merchant, commodity pool operator, or commodity trading advisor; (v) a banking or thrift institution; (vi) an accountant or accounting firm; (vii) a lawyer or law firm; (viii) an insurance company or agency; (ix) a pension consultant; (x) and a real estate broker or (xi) dealer sponsor or syndicator of limited partnerships (other than those sponsoring the Affiliate's private fund).

Receipt of Compensation from Investment Advisers

BC Adviser does not receive any compensation directly or indirectly from investment advisers and, except as disclosed above, does not have other business relationships with other investment advisers.

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

Code of Ethics

BC Adviser has adopted a code of ethics (the "Code"). All BC Adviser Persons (as defined below) must adhere to the Code and any other procedures in place at the Adviser. In short, BC Adviser is committed to maintaining the highest legal and ethical standards in the conduct of its business. As fiduciaries, BC Adviser and its employees place clients' interests above their own. Meeting this commitment is the responsibility of the firm and each and every one BC Adviser Person (as defined below).

BC Adviser will provide a copy of the Code to any client or prospective client upon request.

Participation or Interest in Client Transactions, Recommendations and Trading

BC Adviser has adopted a personal trading policy governing the ability of its partners, associates, employees and interns (the "BC Adviser Persons") to trade securities pursuant to the following principles and rules:

- BC Adviser Persons shall put the interests of its clients first always respecting the laws and rules established by the regulatory authorities;
- BC Adviser Persons must respect the rules and provisions established in the Code so that the investments made by them, and by BC Adviser itself, avoid conflict of interest;

- BC Adviser Persons shall not take inadequate advantage of their activity, following a basic standard of conduct that all shall follow;
- BC Adviser Persons are not allowed to hold and trade stocks and derivatives, except with the express authorization of BC Adviser's compliance committee, which will meet to analyze the requests made by such BC Adviser Persons. The investments will be subject to a lock-up of 180 days and the relevant trading will be forbidden during the period in which the investment funds under management of BC Adviser are trading the same stock;
- BC Adviser Persons are allowed to invest in fixed income securities and investment funds at any time without the prior authorization of BC Adviser;
- BC Adviser Persons are not allowed to invest in exclusive or restricted investment funds except with the approval of BC Adviser's compliance committee ;
- BC Adviser Persons shall not utilize (for itself or for third parties) information to which such BC Adviser Persons have access for trading with securities; and
- BC Adviser Persons are prohibited from utilizing for their own benefit information regarding clients of BC Adviser to which such BC Adviser Persons have access.

The personal trading policy combined with the single investment portfolio approach and the allocation policy described in Item 8 are designed to avoid conflict of interest and misuse of non-public information.

All BC Adviser Persons must adhere to the personal trading policies.

ITEM 12 – BROKERAGE PRACTICES

Broker-Dealer Selection

In the course of providing its services, BC Adviser will execute trades for its clients through broker-dealers. When a client has given BC Adviser broker discretion, there is no restriction on the brokers BC Adviser may select to execute client transactions. BC Adviser's general guiding principle is to trade through broker-dealers who offer the lowest net price and best execution available, consistent with its clients' investment objectives and good practices, under the particular circumstances. With respect to execution, BC Adviser may consider a number of factors, including if the broker has custody of client assets, the actual handling of the order, the ability of the broker-dealer to settle the trade promptly and accurately, the financial standing of the broker-dealer, the ability of the broker-dealer to position stock to facilitate execution and other factors which may be unique to a particular order. Based on these judgmental factors, BC Adviser may trade through broker-dealers that charge fees that are higher than the lowest available fees. In addition, BC Adviser may cause a client to pay a commission that is higher than the lowest available commission if it believes that the value of the products and services, execution and other services rendered by the broker are reasonable in relation to the amount of the commission.

Research and Other Soft Dollar Benefits

Consistent with obtaining best execution, brokerage commissions on client portfolio transactions may be directed to brokers in recognition of research services furnished by them, as well as for services rendered in the execution of orders by such brokers. BC Adviser currently has no formal soft dollar agreements and has not, since it started operations, directed client transactions to any particular broker-dealer in return for any soft dollar benefits, although BC Adviser received research services from broker-dealers. However, currently, there is no agreement or formula for the allocation of brokerage business on the basis of such research services. Furthermore, it is generally BC Adviser's policy that the use of commission or "soft" dollars (including dealer markups or markdowns) to pay for proprietary and/or third party research or brokerage products or services will fall within the safe harbor for soft dollars created by Section 28(e) of the Exchange Act.

The research services provided to BC Adviser by broker-dealers generally may include information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis, analysis of corporate responsibility issues, and post-trade services or communication services related to executing, clearing and settlement of transactions. Such research services are received primarily in the form of written reports, telephone contacts, and personal meetings with security analysts. In addition, such research services may be provided in the form of access to various computer-generated data, computer software, and meetings arranged with corporate and industry spokespersons, economists, academics, and government representatives.

As a general matter, research services are used to service all of BC Adviser's clients. The commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to the BC Adviser's clients by brokers may be higher than those charged by other brokers who may not offer such proprietary or third party services, capabilities or characteristics as described above. This may be done where BC Adviser has determined in good faith that such commission is reasonable in relation to the value of brokerage and research services received. In reaching such a determination, BC Adviser would not be required to place or attempt to place a specific dollar value on the brokerage or research services provided by such broker. However, as noted above, BC Adviser ensures that, when allocating trades to clients, each client is treated fairly and equitably over time in the execution of transactions.

Brokerage for Client Referrals

BC Adviser does not consider, in selecting or recommending broker-dealers, whether BC Adviser or a related person receives client referrals from a broker-dealer or third party.

Directed Brokerage

BC 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.

Aggregation of Trades

BC Adviser has the fiduciary duty to execute orders for its clients fairly and equitably. BC 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 BC Adviser may differ depending on the particular strategy or type of investment. BC Adviser is not required to bunch or aggregate orders if: (1) portfolio management decisions for different accounts are made separately; (2) BC Adviser determines that bunching is not practicable; and (3) BC 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 BC 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.

ITEM 13 – REVIEW OF ACCOUNTS

Review of Accounts

Client’s portfolios are reviewed on a continuous basis by the investment team. These reviews are designed to monitor and analyze the transactions, positions, investment levels, risk limit adequacy and mandates of each account. Particular attention is given to changes in macro-economic policies and fundamentals (from developed and emerging economies perspectives), industry outlooks, market outlooks, and price levels. These reviews are performed on a daily basis by BC Adviser’s investment committee.

BC Adviser also performs reviews of its client’s accounts as appropriate based on, among other things, changes in market conditions, security positions or changes in a client’s investment objective or policies.

Upon client request or as otherwise provided in the relevant managed account agreement, BC Adviser provides written reports reflecting the managed account’s data and performance.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Other Compensation

BC Adviser does not receive any benefits, economic or otherwise, from non-clients for providing investment advice or other advisory services.

Compensation for Client Referrals

BC Adviser may enter into third party distribution arrangements in connection with the offering of interests/shares in certain investment funds. As such, distributors will receive a

fee with respect to subscriptions from investors they introduce. Such fee reduces the amount of BC Adviser's compensation from these funds and does not impact the fund investors.

ITEM 15 – CUSTODY

BC Adviser does not have custody of funds or securities belonging to any managed account because BC Adviser (i) does not hold, directly or indirectly, such funds or securities nor has any authority to obtain possession of them, (ii) does not have the authority to deduct advisory fees or other expenses directly from the managed account, and (iii) does not act in any capacity that gives it legal ownership of, or access to, such funds or securities.

ITEM 16 – INVESTMENT DISCRETION

BC 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. 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, BC Adviser observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to BC Adviser in writing.

ITEM 17 – VOTING CLIENT SECURITIES

Proxy Voting Policies

BC Adviser has adopted policies and procedures designed to ensure that it votes proxies and votes at meetings in the best interests of its clients and in accordance with such policies and procedures. BC Adviser's voting policies outline certain matters and circumstances where voting on behalf of its clients is either mandatory or optional (at BC Adviser's discretion).

BC Adviser will exercise its voting authority by taking into account the best interests of its clients, as well as any potential conflicts of interest between its interests and those of its clients relating to proxy voting. Where BC Adviser identifies potential conflicts of interest, BC Adviser will abstain from voting on that particular matter.

BC Adviser's proxy voting policies and procedures and information on how specific proxies were voted is available to clients and prospective clients upon request.

ITEM 18 – FINANCIAL INFORMATION

Registered investment advisers are required in this Item 18 to provide clients with certain financial information or disclosures about BC Adviser's financial condition. BC Adviser does not require or solicit prepayment of any fees per separate account client or Funds six months or more in advance and thus has not included a balance sheet of its most recent fiscal year. BC Adviser is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients, nor has BC Adviser been

the subject of a bankruptcy petition at any time during the past ten years.