



## **FIRM BROCHURE – FORM ADV PART 2A**

### **LARCH CAPITAL PARTNERS, LLC**

600 Brickell Avenue 31st Floor  
Miami, FL – 33131  
(786) 677-4120

#### **Item 1 – Cover Page**

This Brochure provides information about the qualifications and business practices of Larch Capital Partners, LLC. If you have any questions about the contents of this Brochure, please contact us at (786) 677-4120 and/or by email at [jonathan@larchcap.com](mailto:jonathan@larchcap.com).

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

Registration of an Investment Firm does not imply any level of skill or training. The oral and written communications of a Firm provide you with information about which you determine to hire or retain a Firm.

Additional information about Larch Capital Partners, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Date of Firm Brochure: March15, 2022

600 Brickell Avenue, Suite 3150  
Miami, FL – 33131  
(786) 677-4120

## **Item 2 – Material Changes**

Since the last filing on December 15, 2021, Larch Capital Partners, LLC has made the following material change:

- Larch Capital Partners, LLC has updated the total amount of Asset Under Management.

You will receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year, which is December 31 of each year. We will further provide you with a new Brochure as necessary based on material changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting us at (786) 677-4120 and/or by email at [jonathan@larchcap.com](mailto:jonathan@larchcap.com).

Additional information about Larch Capital Partners, LLC is also available via the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with Larch Capital Partners, LLC who are registered, or are required to be registered, as Investment Firm Representatives ("IARs") of Larch Capital Partners, LLC.

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## **Item 4 – Advisory Business**

### General

Larch Capital Partners, LLC is a Limited Liability Company organized in the state of Florida. This Firm has been in business since 2019, and is owned by the following individuals:

- Henrique da Fonte Filho – 68.3%;
- Rita Tavares – 12.9%;
- Juliana Moreira – 9.9%;
- Krishna Ribeiro – 7.9%
- Lucas Aiache Arfelli – 1%

Larch Capital Partners, LLC (hereinafter “Larch Capital”, the “Adviser” or the “Firm”) offers the following services to advisory clients:

### Investment Supervisory Services

Larch Capital offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Larch Capital creates an Investment Profile and Risk Profile for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client’s specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

Larch Capital evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Larch Capital will generally directly manage assets on its client’s behalf; however, Larch Capital may select third-party portfolio managers to manage client assets.

## Services Limited to Specific Types of Investments

Larch Capital generally limits its investment advice and/or money management to a broad range of domestic and international securities including equities, bonds, promissory notes, shares participation certificates and warrants as well as standardized and non-standardized options, futures, forward transactions, term deposits, fiduciary deposits, regulated or unregulated collective investment instruments (including funds), precious metals or rights to precious metals, or other types of investment instructed by the client. Larch Capital may also invest in private investment funds and investments of similar structure to diversity its client's portfolios.

## Tailored Relationships

Larch Capital develops customized strategies based on the stated investments objectives, risk tolerances, and financial circumstances of each client. While Larch Capital often selects or recommends a variety of securities for its clients, each client may choose to impose reasonable restrictions on the management of their accounts, including requesting the restriction of particular securities or types of investments. For instance, sometimes restrictions are imposed by the governing documents of a client (i.e. Corporate documents).

Larch Capital's associated persons work with their clients to identify their investment goals and objectives, as well as risk tolerance, in order to create a portfolio allocation strategy designed to complement the client's financial situation and personal circumstances. The goals and objectives for each client are documented by the Firm in agreement with the client in an Investment Policy Statement.

## Assets Under Management

As of December 31, 2021, Larch Capital manages \$586,049,029 on a discretionary basis and \$735,822,343 on a non-discretionary basis.

## Additional General Information

Larch Capital's Agreements may not be assigned without client consent.

Larch Capital does not currently participate in any Wrap Fee Programs.

## **Item 5 – Fees and Compensation**

### Basic fee schedule:

#### Discretionary Accounts

- \$5,000,000 to \$20,000,000 – 1.00%
- \$20,000,001 to \$30,000,000 – 0.75%
- \$30,000,001 to \$50,000,000 – 0.60%
- Above \$50,000,001 – 0.50%

#### Non-discretionary Accounts

For non-discretionary accounts, Larch Capital will discuss a fee arrangement with each account individually.

The fee grid above is the Firm's standard guideline; however, fees are negotiable depending upon the needs of the client and complexity of the situation and the final fee schedule is attached to the Investment Management Agreement. Fees are paid quarterly in arrears, and clients may terminate their contracts with thirty days' written notice. Clients may terminate their contracts without penalty, within five (5) business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization; however, clients may also be billed and make direct payments to the Adviser via wire transfer.

### **Additional Fee Information**

Clients may authorize the Firm to directly debit management fees from client accounts on a quarterly basis. In such instances, management fees are prorated 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.

Client fees will be deducted from the Client's account held at the custodian or may be billed for direct payment from the client. Larch Capital will invoice the custodian and the Client regarding the fees to be deducted in the client's account.

The Firm's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred directly by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by fund managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic funds fees, and other fees and taxes on brokerage account and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. It is the Firm's policy not to accept "kick-backs" or retrocession fees from any third unaffiliated party providing services to the Firm's clients.

#### Termination of the Agreement

Although Agreements between Larch Capital and its clients are ongoing agreements and adjustments may be required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party with a thirty-day (30) advance notice or as agreed upon otherwise between the client and the Firm.

#### **Item 6 - Performance-Based Fees and side-by-side management**

Larch Capital does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

#### **Item 7 - Types of Clients**

Larch Capital provides asset and/or portfolio management services to individuals, high net worth individuals and Corporations. The Firm ordinarily requires each account to have a minimum of \$5,000,000, although smaller amounts may be accepted and maintained at the discretion of the Firm.

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

##### Methods and Investment Strategies

Larch Capital's security analysis methods include both fundamental and technical analysis. Furthermore, the main sources of information include Bloomberg, financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

### Fundamental Analysis

Fundamental analysis of a business involves analyzing its income statement, financial statements and health, its management and competitive advantages, and its competitors and markets. Fundamental analysis school of thought maintains that markets may misprice a security in the short run but that the "correct" price will eventually be reached. Profits can be made by trading the mispriced security and then waiting for the market to recognize its "mistake" and re-price the security. However, fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. Therefore, unforeseen market conditions and/or company developments may result in significant price fluctuations that can lead to investor losses.

### Technical Analysis

Larch Capital analyzes past market movements and applies that analysis to the present to recognize recurring patterns of investor behavior and to potentially predict future price movement. These analyses may include the following:

- Cyclical analysis: In this type of technical analysis, we measure the movements of a stock against the overall market in an attempt to predict the price movement of the security
- Charting: In this type of technical analysis, we review charts of market and security activity to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

Some technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

The investment strategy for a specific client is based upon the objectives stated by the client in the Investment Policy Statement. Strategies may include long-term purchases, short-term purchases,



trading, short sales, margin transactions, and other strategies. In some cases, the Adviser might advise on private investments made by clients.

### Risks of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks, amongst others:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with an industry or a company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial/Credit Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value of securities.

## **Item 9 - Disciplinary Information**

Investment Adviser Firms are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of a Firm or the integrity of Firm's management. Larch Capital has no information applicable to this Item. Please visit [www.advisorinfo@sec.gov](http://www.advisorinfo@sec.gov) at any time to view Larch Capital's registration information and any applicable disciplinary action.

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

Larch Capital is neither registered nor has an application pending to register as a securities broker-dealer. Neither of the Firm's management persons are pending or registered with a broker-dealer. Neither the Firm nor any of its management persons is registered or has an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of any of the foregoing entities.

## **Item 11 - Code of Ethics**

State and SEC regulations impose a fiduciary duty on Investment Firms. As a fiduciary, Larch Capital has a duty of utmost good faith to act solely in the best interest of each of our clients. Our clients entrust us with their funds, which in turn places a high standard on our conduct and integrity. Our fiduciary duty compels all employees to act with the utmost integrity in all their dealings. This fiduciary duty is the core principle underlying our "Code of Ethics" and represents the expected basis of all our dealings with our clients. The Code includes policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics and to avoid any actual or

potential conflict of interest or any abuse of an employee's position of trust and responsibility;

- The principle that investment Firm personnel should not take inappropriate advantage of their positions;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

Larch Capital and its employees may buy or sell securities that are also held by clients; however, the Firm and its employees may not trade their own securities ahead of client trades. Employees must comply with the provisions of the Adviser's Compliance Policies and Procedures, as well as Code of Ethics.

The Adviser's Chief Compliance Officer, Jonathan Lee, will review, or supervise the review of, all employee trades each quarter or more frequently as conducted. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the Adviser receive preferential treatment.

The Adviser will provide a copy of the Code to any client or prospective client upon request at the contact information contained on the Cover Page of this Brochure.

## **Item 12 - Brokerage Practices**

As part of Larch Capital's relationship with its clients, its Investment Management Agreement provides that client may restrict the discretion and direct brokerage to any broker. If a client requests that Larch Capital refer a securities broker on their behalf, Larch Capital would typically refer all business to a registered broker-dealer and disclose to clients that they may find similar or superior services elsewhere at an equal or lower cost.

When selecting a broker-dealer for a client, Larch Capital typically considers which broker-dealer will be most favorable to the client. Most favorable does not necessarily be the lowest cost. Additionally, the research and services provided by the broker-dealer with respect to the particular type of investment may be a factor in the selection process. The commissions payable

to such broker-dealers may in certain cases be higher than those attainable from other broker-dealers who do not provide such research and services. Ordinarily, such research will be used to service all of the Firm's accounts.

It is Firm's policy not to enter into soft dollar arrangements and the Firm has no formal soft dollar arrangements. The Firm does not consider, in selecting or recommending broker-dealers, whether Firm or a related person receives Client referrals from such broker-dealer.

### **Item 13 - Review of Accounts**

Account reviews are performed periodically, no less than quarterly by each IAR and by the Chief Compliance Officer. Account reviews are performed more frequently when market conditions dictate and as requested by Larch Capital's clients.

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Account reviewers assist the Firm's Compliance Department, with the assistance of IARs of the Firm. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis and where applicable, will receive an account statement or performance report no less than quarterly, and often monthly as activity dictates.

In addition to periodic reviews, the Firm also performs reviews of its clients' accounts as appropriate based on changes in market conditions, security positions or changes in a client's investment objective or policies.

### **Item 14 - Client Referrals and Other Compensation**

Larch Capital may receive referrals from current clients, attorneys, accountants, employees, personal friends of employees and other similar sources. Currently, Larch Capital is not directly

or indirectly providing compensation for the receipt of client referrals. Furthermore, Larch Capital does not currently accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

### **Item 15 - Custody**

Aside from debiting fees from its clients' accounts to pay for services rendered, Larch Capital does not maintain custody of its clients' funds. All assets are typically held at a qualified custodian, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Larch Capital urges you to carefully review such statements and compare such official custodial records to the reports Larch Capital may provide you. Larch Capital's reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Therefore, aside from debiting fees from its clients' accounts to pay for services rendered, Larch Capital does not maintain custody of its clients' funds. While Additionally, Larch Capital's clients choose their own qualified custodian to hold their funds. Larch Capital does not choose its client's custodians.

### **Item 16 - Investment Discretion**

The Firm 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 or investment managers and determining amounts, the Firm observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions are provided to the Firm in writing.

### **Item 17 - Voting Client Securities**

Larch Capital does not vote proxies on securities; thus, clients are expected to vote their own proxies or contact the third-party portfolio manager for advice on how to vote proxies to discuss best course of option.

## **Item 18 - Financial Information**

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

## **Item 19 – Business Continuity and Information Security**

### **Business Continuity Plan**

Larch Capital has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key persons. The Business Continuity Plan covers natural disasters such as hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident, aircraft accident, and internal and external cyber attacks. Electronic files are backed up daily and archived offsite.

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients promptly after a disaster that dictates moving our office to an alternate location.

### **Privacy and Information Security**

Larch Capital maintains an information security program to reduce the risk that your personal and confidential information may be breached. Furthermore, Larch Capital is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier and use other techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personal identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this Privacy Notice to you annually, in writing.