



Brochure/Form ADV Part 2A

Marcuard Family Office Ltd.

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CRD No.: 155003

SEC File No.: 801-71914

Date of Brochure: March 2023

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Item 1 - Introduction

Marcuard Family Office Ltd. ("*Marcuard*") is a registered investment advisor with the United States ("*U.S.*") Securities and Exchange Commission ("*SEC*"). This Form ADV Part 2A/Brochure ("*Brochure*") provides information about the qualifications and business practices of Marcuard. If you have any questions about the contents of this Brochure, please contact Marcuard's Chief Compliance Officer, Andrea Mancal, lic. iur. HSG: a.mancal@mfo.ch

The information in this Brochure has not been approved or verified by the SEC or any state or foreign securities authority. Registration does not imply that Marcuard, or its associates, have attained a certain level of skill or training.

The Brochure at hand provides information for Marcuard's clients who qualify as U.S. clients based on residency or any applicable U.S. provisions and/or practices ("*clients*", "*U.S. clients*"). Unless indicated otherwise, any disclosures in this Brochure are generally based upon Marcuard's practices and policies for U.S. clients which may differ from those practices and policies for non-U.S. clients ("*non-U.S. clients*"). The provisions of the U.S. Investment Advisers Act of 1940 and SEC rules thereunder ("*Advisers Act*") and this Brochure and the protections of the Advisers Act are not applicable to non-U.S. clients.

Any reference to private funds within this Brochure is for informational purposes only and is intended to address legally required disclosures about Marcuard's business practices and conflicts associated with managing private funds. Only qualified investors are able to invest in the aforementioned type of funds and they should read the fund's prospectus or other offering materials prior to doing so. No reference within this brochure should be viewed as an offer to sell or an offer to buy private funds.

For more information about Marcuard, please visit the SEC's Investment Adviser Public Disclosure ("*IAPD*") www.adviserinfo.sec.gov. and look for "Marcuard Family Office Ltd" or Marcuard's CRD number: 155003.

Item 2 – Material Changes

Since the Brochure of last March 2022, the following material changes have been made to this Brochure:

Personnel Changes	Karin Isabelle Taheny became a new member of the board of directors of Marcuard Family Office Ltd. as of July 1, 2022.
MFO Funds	Simplex Funds are no longer open to new clients, fund manager is in the process of liquidating these funds.
Address change	MFO changed its offices and now has residence at Zollstrasse 62, 8005, Zurich. It is a temporary address until we will move to our new offices at Bellerivestrasse 36, 8008 Zürich end of 2023.

Marcuard's clients will receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after the end of Marcuard's fiscal year. Marcuard's fiscal year ends on December 31st, all clients will receive the summary of material changes no later than April 30th each year. At that time, Marcuard will also offer or provide a copy of the most current disclosure brochure. Marcuard may also provide its clients with other ongoing disclosure information about material changes as necessary.

Item 4 – Advisory Business

A. Firm

Marcuard is a Swiss corporation founded in 1998, domiciled in the Canton of Zurich and since 2020 a member of the Swiss Public Limited Company for Supervision ("**AOOS**"), a self-regulatory organization of asset managers and Trustees. Furthermore, in 2020 Marcuard became a member of the Ombud Finance Switzerland ("**OFS**"), a Swiss Foundation dedicated to provide dispute resolution services to financial advisers and their clients. Marcuard's controlling shareholder is Mr. Ulrich Burkhard and Mr. Martin Sutter is Marcuard's Chief Executive Officer. More information about Marcuard is available in Form ADV Part 1: www.adviserinfo.sec.gov

B. Advisory Services

Marcuard provides discretionary and non-discretionary investment advisory, cockpit and family office services to high-net worth individuals and their families. Marcuard acts as sponsor and/or investment adviser to three private investment funds (of which one is in liquidation). The fees charged in connection with the specific services are stated in each individual client agreement. The latter must be signed by both Marcuard and the client(s) before any services can be provided.

Cockpit Services

Cockpit services include: wealth consolidation, reporting, and coordination with custodian banks. Furthermore, Marcuard assists its clients negotiating custody fees with custodian banks. Cockpit services do not include submitting trades, providing investment advice, monitoring investments nor exercising investment discretion for Cockpit assets showing up on the consolidation reports. Only the client is responsible for monitoring Cockpit assets, determining whether to buy or sell Cockpit assets and placing any orders to buy or sell such Cockpit assets.

Investment Services – Discretionary and Non-Discretionary Investment Advice

Marcuard offers investment advisory services on a discretionary and non-discretionary basis. Marcuard mainly invests or recommends investing clients' assets with affiliated and independent asset managers carefully selected by Marcuard based upon the quality of services provided ("**Fund Managers**"). The aforementioned Fund Managers manage investment funds, hedge funds, funds of hedge funds, private

equity funds, funds of private equity funds and provide investment advice concerning other financial assets.

For discretionary account clients, Marcuard exercises investment discretion based on the clients' investment objectives, risk profile, time horizon, strategy and, whenever applicable, reasonable restrictions agreed upon (and as amended in writing from time to time) in the specific client agreement. For non-discretionary clients, Marcuard's investment advice is based on the same investment criteria.

Marcuard defines with each of its clients their particular investment objective/profile, which includes an individual benchmark and risk tolerance. Some clients may also impose reasonable restrictions on – or objectives for – investing in certain securities or types of securities. All of this is recorded in the client's specific agreement, which may also include annexes and/or addendums. The client is responsible for notifying Marcuard of any changes regarding his/her financial situation, risk profile or investment objective and whether he/she wishes to impose or modify existing investment restrictions. Marcuard is at its clients' disposal for any inquiries related to their current account status.

Clients are advised that there might be other third-party asset managers not recommended by Marcuard, who might in turn also be suitable for the clients in question and who might provide comparable services for less money than those arrangements recommended by Marcuard.

Marcuard does not guarantee in any way or form that a client's financial goals or objectives will be achieved by any investment. Furthermore, Marcuard does not offer any guarantee of performance regarding any investment. All investments involve risks including possible loss of principal.

Marcuard manages investments for many clients and may thus advise them or take actions for them (or Marcuard's own accounts) that differ from the advice and course of action recommended to one particular client. Marcuard is not obliged to buy, sell or recommend to any particular client any security or other investment instrument that Marcuard may buy, sell or recommend for any other client or for Marcuard's personal accounts.

Marcuard enables clients to invest in line with international tax, legal and regulatory requirements. Marcuard does not provide any legal and tax advice to its U.S. clients.

Projects and Family Office Services

Marcuard offers family office services to high-net-worth families typically on a project basis. These services include for example: wealth planning services, administration, IT-services, philanthropic planning, structuring, as well as property management. Based upon clients' needs, Marcuard's services may also cover family governance.

Under no circumstances does Marcuard provide U.S. legal or tax services for U.S. clients. Moreover, Marcuard does not offer trustee, brokerage or custodian services.

Sponsor and Investment Adviser to Private Funds

Marcuard is the sponsor of three private funds ("**Marcuard Funds**"):

- Simplex Fund in liquidation, based in Liechtenstein ("**Simplex Fund**");
- Lighthouse Alpha Select Limited, based in the Cayman Islands ("**Lighthouse Alpha Select**"); and
- MFO IDF I (BVI) LP, based in the British Virgin Islands ("**MFO IDF**").

Marcuard is the sole owner of MFO Capital Ltd., BVI ("**MFO Capital**"), which serves as investment manager to Lighthouse Alpha Select and MFO IDF. Based on an advisory agreement with MFO Capital, Marcuard serves as the sub-adviser for and exercises discretion over the portfolios of MFO IDF. MFO IDF I GP (BVI) Ltd. is solely owned by MFO Capital and acts as the general partner to MFO IDF. Lighthouse Investment Partners, LLC is a non-affiliated US-based investment adviser, which acts as investment adviser to Lighthouse Alpha Select. Further information about MFO IDF as well as MFO Capital and MFO IDF I GP (BVI) Ltd. can be found in Marcuard's Form ADV Part 1A.

Only Lighthouse Alpha Select and MFO IDF of Marcuard's Funds can serve as an investment option for Marcuard's clients. Simplex Fund is no longer open to clients as this fund is in liquidation.

MFO IDF is only open to insurance companies that are U.S. tax payers. Marcuard has a conflict of interest to recommend and favor the aforementioned funds to which Marcuard itself or its subsidiary serve as investment adviser or sub-adviser. However, should Marcuard reasonably believe that a client's assets should be invested in one of Marcuard's Funds, will Marcuard recommend or exercise investment discretion accordingly.

With respect to serving as a sponsor to the three Marcuard Funds and sub-adviser to MFO IDF, Marcuard's services towards Marcuard's Funds are based solely upon the specific requirements of the latter and not upon the interests of any given investor within a particular fund.

Private Markets Advisory Services

Marcuard offers Private Markets Advisory Services to selected clients who meet the SEC's definition of "qualified client" and fully understand the risks and long-term commitment of Private Markets Investments, which can include (i) private equity funds, private equity fund of funds and co-investments with private equity funds ("**Private Equity Investments**"), (ii) private infrastructure funds, private infrastructure fund of funds and co-investments with private infrastructure funds ("**Private Infrastructure Investments**"), (iii) private debt funds, private debt fund of funds, and co-investments with private debt funds ("**Private Debt Investments**"), and/or (iv) private real estate funds, private real estate fund of funds and co-investments with private real estate funds ("**Private Real Estate**").

Investments”). Private Markets Investments do not include direct investment opportunities, direct infrastructure opportunities, direct debt opportunities and direct real estate investments.

Private Market Advisory services are provided on a non-discretionary basis and it is the client’s exclusive and sole decision whether to invest in a Private Markets Investment. Marcuard will identify and examine Private Markets Investments that fulfill Marcuard’s criteria with respect to quality and performance targets. The Private Markets Investments so selected will be added to the range of potential Private Markets Investments, and Marcuard will provide non-discretionary investment advice regarding such Private Markets Investments that is tailored to the client’s financial goals and risk tolerance.

C. Scope of Investment Advice

Marcuard provides investment advice on the following types of investments:

- Cash and cash equivalents;
- Corporate and government fixed income securities and similar investments;
- Listed and non-listed equities;
- Exchange listed securities;
- Mutual funds, fund of mutual funds, hedge funds, funds of hedge funds (including ETFs, active and passive strategies);
- Direct investments (such as private equity funds, real estate and other private market investments);
- Derivatives such as futures, forwards, options, swaps and other derivatives, physical and synthetic commodities;
- Investment techniques include, but are not limited to, short sales, leverage, uncovered option transactions, currency hedging and limited diversification, etc.

Although Marcuard generally provides investment advice on the products previously listed, Marcuard reserves the right to offer advice on any investment product that may be suitable for each client’s specific circumstances, needs, goals and objectives.

D. Wrap Fee Programs

Marcuard does not participate in any wrap fee program.

E. Amounts under Management

As of December 31st, 2022, Marcuard managed the following regulatory assets of *U.S. clients*:

Discretionary assets	USD 240’958’648
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Non-discretionary assets	USD 143'179'859
Total	USD 384'138'507

As of December 31st, 2022, Marcuard managed the following regulatory assets of *non-U.S. clients*:

Discretionary assets	USD 2'758'169'240
Non-discretionary assets	USD 2'712'638'369
Total	USD 5'470'807'609

As of December 31st 2022, Marcuard had **USD 143'179'859** in assets *under advisement for U.S. clients* and **USD 1'878'950'135** in assets *under advisement for non-U.S. clients* (non-regulatory assets). Assets under advisement consist of assets where Marcuard is available for consultation and monitoring at the request of the client and during client meetings. However, Marcuard does not continuously monitor and does not manage those assets under advisement and does not have trading authority over such assets under advisement.

Item 5 – Fees and Compensation

In addition to the information provided in **Item 4**, this section provides additional details regarding Marcuard's services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable services may be available from other financial advisors.

The exact fees and other terms will be outlined in the specific agreement between the client in question and Marcuard.

A. Fee Schedule

The fee schedule below is only for illustrative purposes. All fees are subject to negotiation and will be charged based upon the specific agreement between the client in question and Marcuard. Negotiability factors influencing the applicable fees may include but are not limited to: client's asset base, client's overall assets under management, fees for other assets, complexity, etc. For Cockpit fees one negotiability factor could be the character and liquidity of the assets to be consolidated by Marcuard. The applicable VAT will be invoiced in addition to the currently applicable fee rate.

Standard Management, Advisory and Cockpit Fees

Clients receiving investment advisory services (discretionary or non-discretionary) from Marcuard are generally charged a management or advisory fee based on the amount of assets placed under

Marcuard's management ("**AuM**") or advisement ("**AuA**"). Should the client solely receive *Cockpit* services, Marcuard shall charge stand-alone *Cockpit* fees based upon the amount of assets under *Cockpit* ("**AuC**"). In cases where Marcuard also provides investment advisory services (discretionary or non-discretionary) this *Cockpit* fee is typically included in the management or advisory fee. In accordance with Marcuard's Client Agreement, Marcuard will calculate its management fees for certain asset classes, such as hedge funds, based on the provisional or estimated values; Marcuard will not adjust or revise subsequently the management fee for the billing period even if the finalized value of the asset differs from the provisional or estimated values used for the billing period.

For other illiquid positions, such as private equity funds and art, a Flat Fee rate will be applied.

Due to increasing regulatory and organizational requirements, Marcuard's advisory fee rate is generally speaking - higher for clients receiving discretionary advisory services versus those receiving non-discretionary advisory services. Furthermore, the fee rate is generally higher for discretionary and non-discretionary advisory services than for cockpit services.

The current fee structure creates an economic incentive for Marcuard to recommend the previously mentioned higher paying discretionary advisory services, thus representing a conflict of interest. Marcuard seeks to mitigate this conflict of interest by discussing the differences between the different services with each client.

A particular service is only recommended if and when Marcuard is sufficiently satisfied that the offer will meet the client's needs and interests. It should be highlighted that similar investment advisers may provide comparable services for lower fees than those charged by Marcuard to its clients. Every client is responsible for making his/her own informed decision regarding any of Marcuard's services.

The following fee schedule is for illustrative purposes only:

Account Size	Management Fee (indicative Annual Fee Rate)	Advisory Fee (indicative Annual Fee Rate)	Cockpit Fee (indicative Annual Fee Rate)
Up to USD 10 million	0.8-1.2%	0.6-0.8%	Negotiable, based on services required and AuC
USD 10 million to 25 million	0.7-1.1%	0.5-0.7%	Negotiable, based on services required and AuC
USD 25 million to 50 million	0.5-1.0%	0.3-0.5%	Negotiable, based on services required and AuC

Over USD 50 million	Negotiable, based on services required and AuM	Negotiable, based on services required and AuA	Negotiable, based on services required and AuC
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Clients who wish to know the exact fee rate applicable to them are advised to consult their individual agreement with Marcuard.

Project Fees

Project's fees are typically charged separately and on an hourly basis. An approximate estimate of the numbers of hours needed to complete a project will be provided to the client. Hourly fees range from USD 300.- to USD 650.- per hour depending on the seniority of the employee and as stipulated in the client agreement. In Addition, Marcuard may – when necessary and appropriate - impose a minimum annual fee, which will be disclosed to and agreed in advance by the client in the specific client agreement.

Break-up Fees

For investment advisory services which require extensive set-up work by Marcuard during the first year, Marcuard may include an additional fee if the services are terminated prior to the first anniversary of the engagement. Please refer to your client agreement for addition details.

Private Markets Advisory Fees

In order to receive Private Markets Advisory services, a client must meet the definition of “qualified client” which means you must have at least USD1.1 million under management with our firm or a net worth of more than USD2.2 million at the time the investment advisory agreement is executed. For additional details about the definition of qualified client, please refer to Item 6 of this disclosure brochure. Such clients receiving Private Markets Advisory services are generally charged a one-time subscription fee in addition to a flat annual advisory fee and a performance fee for each Private Market Investment that is introduced and recommended to the client by Marcuard and for which Marcuard provides ongoing monitoring and advice. The one-time subscription fee is due at signing of each Private Markets Investment and the annual advisory fee will be charged quarterly in advance.

Provided certain performance criteria are met, Marcuard charges an annual performance fee which is calculated individually for each Private Markets Investment, subject to an annualized return (IRR) of the Private Markets Investment exceeding a Hurdle Rate specified in the client's Private Markets Advisory Agreement (“*Performance Fee*”). The Performance Fee is calculated based on the difference between the total of all capital calls / co-investment payments made by the client and the total net distributions/sales price / redemption proceeds received by the client for such Private Markets Investment. If the annualized return (IRR) of the Private Markets Investment exceeds the *Hurdle Rate*, Marcuard has a right to receive the Performance Fee on the total increase of the value (full catch up).

Even before the liquidation of a Private Markets Investment/the complete sale of a co-investment, Marcuard calculates the theoretical entitlement to the performance fee as per the above section once a year. If the following conditions a) and b) are met cumulatively, Marcuard is entitled to charge 80% of the calculated entitlement to the performance fee. Any performance fees already paid in previous years will be deducted.

$$a.) \frac{\text{Total amount of all [net dividends];[sales prices];[redemption proceeds] per investment}}{[\text{Nominal amount of the capital commitment («Comittment»)];[\text{investment amount}] \text{ per investment}} \geq 1.25$$

$$b.) \frac{[\text{Total amount of all capital contributions];[co-investment payments] \text{ per investment}}{[\text{Nominal amount of the capital commitment («comittment»)];[\text{investment amount}] \text{ per investment}} \geq 0.8$$

B. Valuations

Marcuard's Valuation Policies and Procedures objectives are:

- To prescribe the methodology and the manner in which assets should be valued;
- To describe the pricing feeds for each asset class;
- To ensure that all assets are valued accurately and consistently as per approved methodology;
- To prevent incorrect valuation by means of predetermined processes;
- To detect and correct errors in valuations whenever required;
- To validate the fee calculation process and ensure accurate fees, through monitoring and testing.

External Contractor's Support

Marcuard draws its pricing feeds and calculations from an external contractor in order to provide its clients with accurate asset valuations, calculate portfolios' performance and ensure their appropriate consolidation. The aforementioned external contractor depends on Marcuard to receive the correct valuation of private equity investments and illiquid assets. The latter leads to a conflict of interest, should Marcuard furnish the external contractor with inaccurate information in order to increase the price of the managed portfolio. The methodology used in order to obtain assets' valuation is found in Marcuard's Policies and Procedures together with a list of all pricing feeds and protocols.

Should a client hold assets which cannot be valued either by Marcuard nor by the previously mentioned external contractor (real estate, artworks or other types of non-bankable assets), Marcuard will determine its pricing and valuation based upon the information received from the client itself or appropriate third parties (e.g. tax advisors, real estate agents etc.). Marcuard relies upon the valuation provided by the client and or its related third parties and does not alter it. Marcuard will not verify the

accuracy of the information and documentation provided by a client. The client is solely responsible for the quality of the information provided. Hence, the value and usefulness of Marcuard's services will depend upon the accuracy and completeness of the information provided by the client. Clients are responsible for providing Marcuard with all requested information – including the appropriate documentation - in order to enable a comprehensive asset valuation.

Valuation Committee

All valuations whether provided by SIX Telekurs or Bloomberg directly or on input from Marcuard or inserted by Dubris AG on statements provided by Marcuard are provided to Marcuard's Valuation Committee. The Valuation Committee will meet on a quarterly basis ahead of the calculation of the Management Fees and discuss and review the valuations based on which the Management Fees shall be calculated. The Valuation Committee may change a valuation or permit some other method of valuation to be used for an asset if, taking into account the currency, applicable rate of interest, maturity, marketability or such other considerations as it deems relevant, and if it can demonstrate, that by using such data, such adjustment is required to reflect the most appropriate and fair value of the respective asset. All decisions with regard to valuations shall be documented by the Valuation Committee. In case of a Special Situation, such as illiquid markets, winding down of a fund, fund gating, etc. the Valuation Committee also documents the circumstances requiring a special valuation and the reasoning supporting the valuation.

All decisions regarding asset valuation are documented and provided to Marcuard's Chief Compliance Officer. The latter or a member of Marcuard's Compliance Department are present at the Valuation Committee's meetings in an advisory capacity with the aim to ensure that the Committee's decisions are in line with Marcuard's Valuation Policies and Procedures as well as applicable regulatory requirements. The Valuation Committee shall document the circumstances requiring a special valuation of the assets in question and the reasoning supporting it as assigned by the Valuation Committee. Within the aforementioned framework, the Chief Compliance Officer does not have a voting right.

Certain positions (such as private equity funds, artworks, etc.) may not have any final and/or current valuation at the time quarterly fees are calculated. U.S. clients holding such assets may negotiate with Marcuard an annual Flat Fee for the aforementioned positions ("**Flat Fee**"). The calculation of management fees on other positions specified in the client agreement, such as hedge funds or other holdings, will be based on provisional or estimated values ("**Asset Based Fee**"); the management fee for the billing period will not be adjusted or revised even if the final valuation of such positions or holdings differs from the provisional or estimated values. In addition, Marcuard charges an Asset Based Fee on other positions they may hold (on final valuations)

The negotiability factors for the Flat Fee may include - but are not limited to - the following factors: client's asset base, client's overall assets managed by Marcuard, individual factors and fees, complexity

of the wealth structure, etc. The Flat Fee will be reviewed annually and renegotiated whenever deemed necessary.

Marcuard's Valuation Policies and Procedures are available to clients upon request.

C. Fees

Fees are calculated pursuant to client-specific agreements. Asset-based Fees and Flat Fees are generally calculated and payable quarterly in advance. Marcuard's accounting department is responsible for the fee calculations, which are based upon the Valuation Policies and Procedures noted above. The invoices are reviewed by the Family Office Service Team and the respective Relationship Manager. Compliance then executes a sample check of all invoices.

For billing purposes, Marcuard's clients may choose their reference currency, usually being U.S. dollars for U.S. clients. Hence, fees are charged in the reference currency unless specifically agreed otherwise. In case Marcuard's accounting department needs to convert any currencies into the reference currency or any other currency, the conversion rate used is provided by an independent external contractor.

When calculating fees, Marcuard applies commercial rounding rules (i.e. below 0.50 rounded down to 0.00, and 0.50 and above rounded up to the next number such as 1) to the nearest U.S. Dollar or reference currency selected by the client in question.

Marcuard's accounting department is responsible for both invoicing and collecting fees, as well as for calculating retrocessions due to clients. Marcuard will issue an invoice to the client, who is solely responsible for its examination and verification. Since the current structure concentrates several aspects of the billing process in one single department, it is understood that the on-going process represents a conflict of interest. Hence, in order to mitigate any risks arising thereof an independent third-party review for U.S. clients is conducted every 12-18 months in order to address any possible shortcomings. The results of the independent review are used to validate the current process, check on the effectivity of the controls in place and to make any changes if necessary.

Hourly or project fees will be invoiced in arrears to clients by sending out a separate invoice on a monthly or quarterly basis, as previously agreed with clients. Project fees have to be transferred to Marcuard directly. Marcuard shall not deduct such fees from the assets under management.

Generally, Marcuard's investment advisory fees will be deducted from the client's account(s) and wired directly to Marcuard by the qualified custodian(s) bank(s). The client authorizes the qualified custodian(s), acting as the client's agent to debit from the client's account(s) the fees due to Marcuard and transfer them directly to Marcuard. Clients should review the account statements received from the qualified custodian(s) and verify that the appropriate investment advisory fees are being deducted.

The qualified custodian(s) will not verify the accuracy of the investment advisory fees invoiced by Marcuard.

D. Other Fees or Expenses

Fees charged by Marcuard do not include custodian fees, brokerage commissions, sales charges, oddlot differentials, transfer taxes, bid-ask spreads, or any other fees imposed by custodians or the brokers. Furthermore, Marcuard's fees do not include fees charged by external Fund Managers. The latter may include fees and charges imposed on shareholders of the fund or imposed on the fund and borne indirectly by shareholders, as disclosed in the fund offering documents. Marcuard does not receive a portion of the fees charged by external Fund Managers to the client nor any portion of the fees and charges by custodians and brokers. Investment advisory fees charged by Marcuard are separate and distinct from the fees and expenses charged by custodians and/or brokers.

E. Advance Payment of Fees

Fees are charged in accordance with the specific agreement between Marcuard and the client. Generally, the aforementioned fees are billed and charged in advance on a quarterly basis. Fees are charged starting from the date agreed in the specific client agreement until its termination. In accordance with the client's agreement, should any of the services provided by Marcuard go beyond its termination date - due to the nature and circumstances of the tasks in question - the client agrees to remunerate Marcuard until the effective completion of the tasks at hand. Such services encompass but are not limited to: transfer of client's assets, transfer of financial structures and all other pertaining duties.

Client agreements remain in force until terminated by either party without penalty by providing written notice of termination upon the end of each month to the other party. Marcuard shall refund to its clients all fees previously paid encompassing services not rendered, which go beyond the contractual termination date. Fee refunds are calculated on a pro rata basis according to the contractual termination date of the agreement or the date on which the whole structure and/or assets are effectively transferred.

F. Compensation for Marcuard Funds, Fund Managers or Investment Products

When a U.S. client's assets are invested in a Marcuard Fund, Marcuard does not charge "double fees", i.e. Marcuard is remunerated either by the Marcuard Fund fees or management fees on the invested assets.

Whenever MFO Capital, which is owned in its totality by Marcuard, acts as investment manager of a Marcuard Fund (MFO IDF, Lighthouse Alpha Select), it will typically charge the Fund itself management fees but no additional discretionary or non-discretionary advisory fees. However, depending on the investment fund, MFO Capital may transfer a portion of its fee to Marcuard as explained in the table

below. The above mentioned Marcuard Fund management fees may be higher than Marcuard's discretionary or non-discretionary advisory fee. Thus, leading to a conflict of interest.

For MFO IDF, Marcuard charges its sub-advisory fee to MFO Capital. For MFO Lighthouse Alpha Select, Marcuard does not charge any fee to MFO Capital. In cases where MFO Capital or Marcuard is not acting as fund manager of a Marcuard Fund the client pays the third-party fund manager fee and Marcuard's discretionary management or advisory fee. For Simplex no management fees are charged when in liquidation. Marcuard is a member of the investment committee established by the Simplex fund manager and charges an annual fee to the fund manager for its committee membership.

Sample Maximum Fee Chart for Marcuard Funds

	MFO IDF	Simplex in liquidation	Lighthouse Alpha Select
Manager (max.)	MFO Capital receives 1.5% p.a.	n.a.	MFO Capital receives 1.5% p.a.
Marcuard	MFO Capital pays 0.75% p.a. to Marcuard. Marcuard receives a dividend from MFO Capital in the amount of the profits less the operating costs.	n.a.	MFO Capital pays 0.75% p.a. to Third-Party Manager. Marcuard receives a dividend from MFO Capital in the amount of the profits less the operating costs.

The exact maximum fee charged by a third-party manager will be disclosed in the relevant Private Placement Memorandum ("PPM").

The fees rate effectively charged by a third-party manager may be less than the maximum possible fees rate, which varies based on the value of assets under management by the third-party manager. Clients can, upon request, obtain a description of the fees rate effectively charged for any of Marcuard's Funds. Marcuard does not claim that the management fees charged by it are consistent with those charged by different investment advisers under similar circumstances. Marcuard's fees may be higher than those charged by other investment advisers for similar services.

Marcuard's Funds – including their investors - may trigger other fees and expenses in addition to the management fees described above. Such fees and expenses are typically incurred in connection with the purchase of investments held by the clients and include brokerage commissions, ticket transaction charges, custodial fees and other expenses assessed by qualified custodians and broker/dealers appointed by any of Marcuard's Funds and Marcuard. Clients may also incur other operating and administrative fees and expenses related to customary operating, management and administrative functions as required by them.

Item 6 – Performance-Based Fees; Side-By-Side Management

As described above in Item 5 – Fees and Compensation, Marcuard charges certain clients, who meet the SEC’s definition of “qualified client” (i.e., at least USD1.1 million under management with us or a net worth of more than USD2.2 million), a performance fee, which is based upon a share of capital gains or capital appreciation of the assets of such client. We also provide services and are compensated on asset-based fees, which are based on the total amount of assets owned by the client.

There are conflicts of interest Marcuard faces by managing performance-based accounts at the same time as managing asset based, non-performance-based accounts. For example, the nature of a performance fee poses an opportunity for Marcuard to earn more compensation than under a stand-alone asset-based fee. Consequently, Marcuard may favor performance fee accounts over those accounts where we receive only an asset-based fee. One-way Marcuard may favor performance fee accounts is that we may devote more time and attention to performance fee accounts than to accounts under an asset-based fee arrangement.

There are other conflicts associated with performance fees that are not as common under an asset-based fee arrangement. The nature of performance fees can encourage Marcuard to recommend unnecessary speculative investments to the client in order to earn or increase the amount of the performance fee. The result of riskier investments can have a positive effect in that results could equal higher returns when compared to an asset-based fee account. On the other hand, riskier investments historically have a higher chance of losing value. Also, by charging a performance fee, Marcuard has the incentive to favor performance fee accounts.

Marcuard does not represent that the amount of the performance fees or the manner of calculating the performance fees is consistent with other performance related fees charged by other investment advisers under the same or similar circumstances. The performance fees charged by Marcuard may be higher than the performance fees charged by other investment advisers for the same or similar services.

Marcuard has established policies and procedures to address the various conflicts of interest associated with charging a performance fee:

- Marcuard devotes equal time to the management of performance fee accounts and asset-based fee accounts.
- Only clients that are able to assume additional risk are solicited to engage in a performance fee arrangement. Marcuard provides such clients full disclosure of the additional risks associated with a performance fee arrangement.

- Client accounts eligible to be charged a performance-based fee must reach a pre-determined and agreed upon Hurdle Rate before the performance-based fee is charged.

Performance based fee arrangements that Marcuard has with U.S. clients will comply with Section 205(e) of the Investment Advisers Act of 1940. According to Section 205(e) (see Rule 205-3 thereunder), only natural individual clients meeting the SEC's definition of "qualified clients" may enter into agreements providing for performance-based compensation to Marcuard. A natural person or company must meet the following conditions to be considered a qualified client:

- Have at least \$1,100,000 under management with Marcuard at the time the client enters into an agreement with Marcuard; or
- Provide documentation to Marcuard so that Marcuard will reasonably believe the client has either a net worth of \$2,200,000 or is a qualified purchaser under Section 2(a)(51)(A) of the Investment Company Act.

Item 7 – Types of Clients

Marcuard typically provides services to high-net-worth individuals, families and their trusts, estates, charitable organizations, corporations and other business entities with a minimum initial account size of USD 20 million.

The foregoing minimums may be reduced by at Marcuard's own discretion. Some of the factors taken into consideration when granting an exception include but are not limited to:

- Business activity;
- Residency;
- Age;
- Business relationship developmental potential.

All prospective clients execute a written agreement with Marcuard specifying the particular advisory services required by each of them in order to establish a suitable client arrangement.

As discussed above, Marcuard also sponsors and serves in various capacities to Marcuard's Funds. The minimum for investing in Marcuard's Funds is specified in the relevant offering documents.

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

Securities as investment instruments are intended for clients who are willing and able to bear the economic risks deriving from them, including the loss of the total investment. Past performance is not indicative of future results. Therefore, clients should never assume that future performance of any specific investment or investment strategy will be profitable. Because of the inherent risk of loss associated with investing, Marcuard is unable to represent, guarantee, or even imply that Marcuard's

services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate any client from losses due to market corrections or declines.

Marcuard's analysis of securities and markets may include charting, fundamental and technical analysis. Marcuard also uses proprietary methodologies. In selecting Fund Managers and in ongoing due diligence and monitoring of Fund Managers, Marcuard may use quantitative and qualitative analysis, an interview process, on-site visits and conference calls, as well as information supplied by industry professionals.

Marcuard and its selected Fund Managers use various investment strategies and techniques across a wide range of financial instruments. The financial instruments include, but are not limited to: cash, corporate and government fixed income securities, listed and non-listed equities, exchange listed securities, mutual funds, funds of mutual funds, hedge funds, funds of hedge funds, ETFs. Direct investments include: private market funds, private market fund of funds, real estate, derivatives such as futures, forwards and options, commodities as well as other capital market instruments.

Investment techniques include, but are not limited to: short sales, leverage, uncovered option transactions, currency hedging and limited diversification. Such practices can, in certain circumstances, increase the risk of an adverse impact on invested assets.

Lack of Control: Marcuard has no control over the individual investments made by unaffiliated Fund Managers. The latter may make investment decisions on their own accord and independent from Marcuard. There can be no assurance that such investments will be successful or will not result in substantial losses.

Derivatives: Marcuard or the Fund Managers may invest on behalf of the clients in both exchange traded and over-the-counter derivatives, including, but not limited to: futures, forwards, swaps, options and contracts for differences. The aforementioned instruments can be volatile and expose clients to a high risk of loss. Such instruments typically carry a high degree of leverage. As a result thereof, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in further loss exceeding any margin deposited. Over-the-counter derivatives also involve counterparty solvency risk and the risk that a buyer may not be able to be found, given the lack of an exchange market.

Short Selling: Marcuard or the Fund Managers are allowed to sell securities short, in the expectation of covering the short sale with securities acquired in the open market at a price lower than that received from the short sale (Marcuard employs short-selling as a hedging strategy only, rather than as an investment strategy). The possible losses from short selling are theoretically unlimited. In addition, short selling can cause downward price pressure on a stock and therefore poses a conflict of interest if

some clients were selling one security short while other clients are holding the same security long and vice versa.

Market Risk: Either the stock market as a whole or the value of an individual company can go down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.

Equity (Stock) Market Risk: Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. Clients holding common stocks or common stock equivalents of any given issuer will generally be exposed to greater risk than those clients holding preferred stocks and debt obligations of the issuer.

Company Risk: When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk, specific risk or diversifiable risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

Cybersecurity Risk: As with any entity that stores data - especially financial data - both Marcuard and the investments' issuers and managers may face cybersecurity risks. While these parties may take steps to protect the data in their trust, the threat is ever-evolving and an unauthorized party may gain access to customer data or proprietary information. The latter can cause such a party to suffer data corruption or lose operational functionality, resulting in civil or regulatory actions and/or declines in performance.

Fixed Income Risk: The risks associated with investing in bonds are: interest rate risk, yield curve risk, credit risk, liquidity risk and currency risk. When investing in bonds, there is the risk that the issuer will default on the bond and will be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed income investors receive a pre-defined, regular payments facing the same inflation risk.

Use of Leverage: Marcuard or the Fund Managers may also use leverage, such as investing monies borrowed on margin or taking positions in certain types of derivatives that involve leverage. Marcuard may also invest in certain ETFs (exchange-traded funds) that provide leveraged exposure to their underlying indexes. Use of leverage can cause portfolio values to rise and fall faster than if leverage were not used. Moreover the use of leverage also involves the risk that securities in an account will have to be liquidated in order to meet margin calls or maintain sufficient asset coverage, at a time when it may not be desirable or advantageous to sell.

Options Trading: The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation either to purchase or sell the underlying security,

commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received, which could result in an unlimited loss. Over-the-counter options also involve counterparty solvency risks.

Trustee Risks: Certain clients of Marcuard make use of trusts. To the extent that a Marcuard client utilizes a trust, neither Marcuard nor its employees will serve as the trustee and the trust will be required to retain an independent trustee, who will not be supervised or controlled by Marcuard. There is a risk that the independent trustee may misappropriate proceeds from such trust. As a result, Marcuard recommends that the client receives legal counsel to investigate the background and safeguards related to the trustee. There's always the risk that a legal counsel will not identify safeguards or red flags associated with an entity or individual when conducting such due diligence.

Hedge Fund Investments: Marcuard may invest client assets in hedge funds. Hedge funds are speculative investment vehicles which are not necessarily subject to the same degree of regulation as mutual funds and whose returns may be volatile. There are additional risks associated with investing in hedge funds which include: a substantial portion of the fund's trades may take place on foreign exchanges that may not offer the same regulatory protection as US exchanges, there is no secondary market for the interests in hedge funds and they may be subject to substantial fees. Hedge funds are also often slow in reporting the fair market of value of the fund – it may take 12 months before the quarter's fair market value is reported by a hedge fund. It may be impossible to transfer or liquidate an investment in a hedge fund when desired and thereby avoid significant losses.

Private Equity Fund Investments: Marcuard may invest client assets in private equity ("**PE**") funds. Like hedge funds, PE funds are speculative investments and not necessarily subject to the same degree of regulation as mutual funds. PE funds generally impose significant "lock-up" periods (periods when investor money cannot be withdrawn), they are not traded on secondary markets and often invest in start-up enterprises or newer industries which may be subject to a higher risk of business failure than traditional businesses. PE funds may impose substantial fees. Moreover, PE funds are also often slow in reporting the fair market of value of the fund – it may take 12 months before the quarter's fair market value is reported by a PE fund.

Private Placements: Private placement offerings are often speculative, high risk and illiquid investments. An investor can lose his or her entire investment in a private placement offering. Private placement offerings are generally not subject to same laws and regulations as registered securities offerings and typically have not been reviewed by a regulator to make sure risks associated with them are adequately disclosed to prospective investors. Consequently, investors know far less about the

private placement investments and the people behind them than with other financial vehicles. The companies underlying private placement offerings are often not subject to a financial audit by an independent public accounting firm and are therefore more susceptible to fraud. It may be very difficult or impossible for an investor in a private placement offering to recover the money invested from the sponsor of the private placement offering if such offering turns out to be fraudulent.

Counterparty risk: Counterparty risk is the risk that one party to a transaction does not satisfy its obligation to the other party. This could affect clients if a party fails to settle a transaction, or a custodian goes insolvent or other events occur that jeopardize an entity with whom Marcuard engages in business.

- Margin Risk: When clients purchase securities, they may pay for the securities in full or borrow part of the purchase price from their account custodian or clearing firm. If clients intend to borrow funds in connection with their account(s), they will be required to open a margin account, which will be carried by the clearing firm. The securities purchased in such an account are the clearing firm's collateral for its loan to clients. If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines and as a result the brokerage firm is required to take action in order to maintain the necessary level of equity in the clients account. The brokerage firm may issue a margin call and/or sell other assets in the clients account. It is important that all clients fully understand the risks involved in trading securities on margin, which are applicable to any margin account that clients may maintain, including any margin account that may be established as part of the Asset Management Agreement established between Marcuard and its clients and held by the account custodian or clearing firm. These risks include the following:
 - Clients can lose more funds than they have deposited in their margin account;
 - The account custodian or clearing firm can force the sale of securities or other assets in clients' account;
 - The account custodian or clearing firm can sell the clients' securities or other assets without contacting them;
 - Clients are not entitled to choose which securities or other assets in their margin account may be liquidated or sold to meet a margin call;
 - The account custodian or clearing firm may move securities held in the clients' cash account to their margin account and pledge the transferred securities;
 - The account custodian or clearing firm can increase its "house" maintenance margin requirements at any time and they are not required to provide clients with advance written notice;

- Clients are not entitled to an extension of time on a margin call.

Concentrated or Non-Diversified Positions: For discretionary accounts, Marcuard defines and applies strict concentration and diversification rules. Concentration and non-diversification pose an increased risk of loss to the extent the account is more susceptible to adverse events affecting the industry or issuer in which the account is focused. Based on client instructions, Marcuard may – in exceptional cases – deviate from agreed concentration and diversification rules.

While Marcuard attempts to moderate the risk of loss of capital to some degree through diversification of investment strategies and selection of multiple fund managers and financial instruments, Marcuard cannot guarantee that no loss of capital will occur or that clients' investment objectives will be met.

Fund Manager / Third Party Fraud Risk: When using a third-party Fund Manager, there is a risk that the third-party manager may misappropriate client funds or assets. Although Marcuard performs due diligence when selecting Fund Managers, Marcuard's services are not necessarily designed to detect or prevent the loss of a client's funds due to fraud or error perpetrated by an unaffiliated third-party.

ESG criteria in making investment recommendations and selections: MFO includes a structured assessment regarding a manager's ESG policies, capacities, reporting and processes in its investment due diligence and summarizes the findings in the form of an internal MFO ESG score which is described in the investment memos which are used for internal approval in the context of discretionary mandates or for client recommendations in the context of advisory mandates ("ESG integration" approach on investment manager and strategy level). Unless explicitly agreed with the client, these MFO ESG Scores are not binding but form an integral part of our investment analysis.

The ESG due diligence is largely based on information provided by the party being assessed and can only be so good as the quality of the information provided. However, the information provided is, where possible, plausibilized by information of third-party providers, such as Morningstar. The quality of the information and the degree of transparency provided by the investment manager is part of our ESG assessment. However, the result of our ESG assessment is, albeit following a structured process, a qualitative one and subject to personal judgement.

Item 9 – Disciplinary Information

As an SEC registered investment adviser, Marcuard is required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Marcuard or the integrity of Marcuard's management. No events have transpired applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

Marcuard Funds

Marcuard has material arrangements with affiliates such as MFO Capital and MFO IDF I GP (BVI) Ltd., which creates a conflict of interest, which biases the objectivity of Marcuard when providing advice to invest in Marcuard Funds. Such a conflict of interest arises out of the different capacities in which Marcuard acts in relation to the aforementioned affiliates including: sponsor, investment adviser, investment manager and general partner to Marcuard's Funds.

As previously stated, Marcuard shall only invest a client's assets into one of Marcuard's Funds when deemed in the client's best interest and as a more efficient and effective way to diversify the client's portfolio.

Neither Marcuard nor any of its affiliates receive double advisory compensation with respect to U.S. client's assets invested in Marcuard's Funds. However, fees might be higher for those assets invested in Marcuard's Funds than for assets invested in other funds.

In addition, Marcuard selects unaffiliated Fund Managers for its clients. These Fund Managers are not related to Marcuard or its affiliates. Hence, Marcuard does not receive any direct or indirect compensation from the previously mentioned Fund Managers. Marcuard does not receive a portion of the fees charged by external Fund Manager to clients.

In limited circumstances Marcuard's employees will have travel expenses paid for by a third party such as asset managers or other service providers. The previously mentioned payments are generally made when Marcuard's employees attend a conference hosted by a third party.

Mymetics

While Mymetics Corporation is not affiliated with Marcuard, Mr. Ulrich Burkhard (Marcuard's Chairman), is a non-executive board member of Mymetics Corporation, which is a publicly-traded company in the U.S.

The majority investor of Mymetics has requested Mr. Burkhard to perform this board function in order for him to represent all shareholders. Mr. Burkhard's interest in a publicly traded U.S. company presents a conflict of interest for Marcuard, since:

- (i) One of Marcuard's clients is the biggest shareholder of Mymetics;
- (ii) Mr. Burkhard is on the board of directors and has a duty to all shareholders of Mymetics;
- (iii) Mr. Burkhard may own shares of Mymetics from time to time;
- (iv) Other clients of Marcuard may possibly own shares of Mymetics in the future, although

this is not currently the case;

- (v) Mr. Burkhard may possibly acquire non-publicly available information about Mymetics, which is confidential and/or insider information.

In light of the aforementioned, Marcuard employs appropriate controls to address conflict of interest such as:

- (i) Abstaining from recommending how to vote proxies or voting proxies for other clients, except to the extent that such a client is a family member of Mr. Burkhard or a family member of the primary owner of Mymetics;
- (ii) Monitoring communications of its supervised persons;
- (iii) Refraining from recommending or exercising discretion to buy or sell the securities of Mymetics for other clients;
- (iv) Imposing information barriers to prevent Mr. Burkhard from passing confidential information to Marcuard's employees;
- (v) Marcuard does not recommend the purchase of shares of Mymetics Corporation to its clients, except to the extent that such a client is a family member of Mr. Burkhard or a family member of a primary owner of Mymetics Corporation.

Item 11 – Code of Ethics

A. Code of Ethics

In accordance with the Investment Advisers Act of 1940 Marcuard acts as a fiduciary to its U.S. clients. As such Marcuard is responsible for providing fair and full disclosure of all material facts and to act solely in the best interest of each of its U.S. clients at all times. This fiduciary duty to Marcuard's U.S. clients is considered the core underlying principle of its Compliance Manual and Code of Ethics which encompasses personal securities transactions, insider trading policies and procedures.

Marcuard's employees, officers and executive directors are subject to Marcuard's Code of Ethics. All employees must adhere to the Code of Ethics' framework when personally trading in securities. Personal trades of employees involving initial public offerings and private or limited offerings must be pre-cleared by Marcuard's Chief Compliance Officer. The Code of Ethics sets standards of conduct for employees and imposes specific requirements aimed at preventing, detecting, and correcting fraudulent activity or activities that would pose a conflict of interest in connection with personal securities transactions. The Code of Ethics prohibits employees from engaging in conduct commonly

known as “insider trading”. Marcuard’s employees are prohibited from purchasing or selling securities of companies in which any client is deemed an insider.

Generally speaking, the Code of Ethics demands from all of Marcuard’s employees a pre-clearance check by Marcuard’s Chief Compliance Officer for trading in “reportable securities”, involving initial public offerings, private or limited offerings. As such, reportable securities include but are not limited to: stock, bond, future, option, derivative instrument, investment contract or any other instrument that is considered a security.

Personal securities transactions are restricted, should they interfere with Marcuard’s fiduciary duties towards its clients. In order to ensure employees’ compliance with Marcuard’s Code of Ethics and applicable laws, all employees are required to provide quarterly transaction reports and an annual holding report. Furthermore, each employee is required to expressly acknowledge that he/she understands what constitutes insider trading and that he/she will not be party to it.

Individuals associated with Marcuard may buy or sell securities for their personal accounts identical to or different from those recommended to clients. It is Marcuard’s express policy that no employee shall place his or her own interests ahead of those of Marcuard’s clients or make personal investment decisions based on the investment decisions made for clients.

Upon request, Marcuard will provide all clients with its latest version of its Code of Ethics

B. Related Person / Conflicts of Interest

Related Persons Invested in Same Securities as Clients

Marcuard, its employees and their family members may buy or own securities which are purchased or sold by or for Marcuard’s clients. Marcuard is of the opinion that the aggregate holdings of Marcuard’s employees will in all likelihood be a negligible fraction relative to the total outstanding number of securities involved. As indicated above, Marcuard has put in place a Code of Ethics intended to regulate, among other activities, securities transactions in such a manner that Marcuard’s primary obligation of loyalty to its clients is preserved.

Clients Invested in Marcuard’s Funds

Clients’ assets may be invested in one of Marcuard’s funds for which Marcuard serves as sponsor and may serve as investment adviser. Marcuard’s affiliates *MFO IDF I GP (BVI) Ltd.* and *MFO Capital*, act as general partners and investment managers of Marcuard’s Funds. As such, Marcuard has an interest in its own funds and all employees are allowed to invest personally in them. The previously mentioned situation poses a conflict of interest for Marcuard and its employees to the extent it creates a financial incentive to increase the volume of assets invested in Marcuard’s funds, hereby increasing the subadvisory fees or any other fees payable by Marcuard’s Funds to Marcuard itself.

In spite of the above mentioned considerations, Marcuard is constrained by fiduciary principles to act in its clients' best interests when managing their accounts and fulfilling its duties. Hence, Marcuard will only invest in Marcuard Funds when such course of action is objectively recommendable and suitable to clients' needs and investment profile. Furthermore, all investments linked to Marcuard Funds are monitored on a regular basis in order to ensure adequate compliance with Marcuard's Code of Ethics. Along the same lines, Marcuard continuously monitors its clients' accounts in an effort to ensure the appropriateness of all transactions made through them.

As previously mentioned, Marcuard does not charge additional management fees for U.S. clients' assets invested in Marcuard Funds. However, Marcuard may charge additional fees for providing additional services (i.e. Investment Committee of Simplex Fund).

Equitable Treatment of Accounts

Marcuard manages multiple client accounts. Hence, there is the possibility for Marcuard to favor certain accounts over others. The latter could be particularly the case, if the account in question pays higher fees or belongs to a specific family member. In accordance with Marcuard's Code of Ethics, Marcuard enforces its own allocation policy in order to ensure that client accounts within a particular investment strategy are treated fairly and equitably and no account is inappropriately favored or disfavored over another.

Cross Trading

Cross Trading creates a conflict of interest for the employee executing the specific trade since he/she has a duty to obtain the most favorable price for both the selling and the purchasing client. Generally speaking, Marcuard does not engage in cross trading. Should such a situation arise, Marcuard shall disclose its conflict of interest to the clients involved.

Outside Business Activities

Marcuard allows for its employees to engage in outside business activities. Thus, such activities may lead to a conflict of interest between the employee's duties towards Marcuard, its clients and his/her outside business activities. However, any conflict of interest in connection to an employee's outside business activities are disclosed to the particular client(s), whose interests are affected. In order to prevent any conflict of interest having a detrimental effect on Marcuard's clients, all employees are required to disclose any business engagement besides the employment relationship with Marcuard. Marcuard's Chief Compliance Officer will identify the conflict of interest in accordance with the information provided by the employees. Once identified, Marcuard will disclose to the client the existence of a conflict of interest and mitigate any resulting negative effects. In the event that a resolution to the conflict cannot be reached, the employee will be asked to terminate either his/her outside employment relationship or his/her contract with Marcuard.

As previously mentioned, Marcuard's Chairman – Mr. Burkhard - is a non-executive board member of the Mymetics Corporation.

Gifts and Entertainment

Marcuard's employees give and receive gifts from third parties within the usual social context of business interactions. Third parties include but are not limited to: clients themselves, business partners and service providers. Any gift or entertainment given or received by any of Marcuard's employees is recorded as outlined in Marcuard's Code of Ethics and may be declined if factors such as the monetary value or the social context in which the present was exchanged is deemed improper or could lead to a conflict of interest.

Reporting Illegal or Unethical Behavior

Unethical or illegal conduct on the part of Marcuard's employees can damage Marcuard's ability to fulfill its fiduciary duties towards its clients. Employees are required to report to management any actual or suspected illegal or unethical conduct on the part of other employees of which they have become aware. The same applies for any situation in which employees are concerned about the "best course of action". Marcuard regards any infringement of its Code of Ethics as a an offence which must be addressed in an appropriate manner, thus triggering disciplinary sanctions for the employee(s) involved.

Managing Conflicts of Interest, Generally

Notwithstanding these various conflicts of interest, as a fiduciary Marcuard acts in its clients' best interests when managing their accounts and providing advise to them. Marcuard will recommend its clients to invest in various investments or programs only when it is suitable for them to do so. Marcuard monitors activities in its clients' accounts in an effort to ensure investment appropriateness.

Item 12 – Brokerage Practices

A. Brokerage Partners and Best Execution

Each of Marcuard's clients is entitled to choose a preferred custodian bank for his/her account. At the client's request, Marcuard provides assistance in both the custodian selection and fee negotiation process. While Marcuard does not receive any economic benefit in exchange before, during and after the selection process for its advice from the custodian banks themselves, certain custodian banks may make available research and brokerage services to Marcuard or may subsidize some of Marcuard's office infrastructure. No arrangement of this kind is currently in place.

Each custodian bank has its own policies and procedures regarding brokerage. In cases where the custodian bank requires Marcuard to route securities orders through a specific trading desk or through a particular broker designated by the custodian bank – which was in turn selected by the client itself -

then Marcuard has no discretion in the selection process and clients should be aware of the risks associated with such arrangement. In such cases, Marcuard cannot guarantee best execution or best commissions for its clients, since those factors are outside of Marcuard's control. As a result thereof, certain clients may pay higher commission rates than those whose trades are placed with a custodian bank and/or broker chosen by Marcuard. Furthermore, such clients may receive less favorable trade execution and may not obtain best execution on their transactions. Accordingly, clients must be aware that the chosen broker may not fall within the definition of a registered broker under the Exchange Act.

Best execution is the process of seeking the best price available to Marcuard's clients and does not necessarily mean achieving the lowest possible price or transaction cost. In determining whether a broker is providing reasonable service to Marcuard's clients, Marcuard will consider a variety of factors such as: price, costs, speed, market expertise, prompt execution, likelihood of execution, likelihood of settlement, size of the trade, nature of the trade, financial strength and stability, reputation and integrity, ability to maintain confidentiality and any other factor relevant to the execution of the order. Custodian banks not recommended by Marcuard and chosen without any input from Marcuard by the client are not reviewed and no third-party due diligence will be performed.

When Marcuard is retained to manage clients' accounts on a discretionary basis, Marcuard places orders by fax, E-Mail, by entering them into an electronic order system and/or orally with the account management, brokerage divisions of those firms or with independent brokerage firms (the direct placement of orders would change or cease if doing so creates or imposes any regulatory, tax, legal or compliance risk to Marcuard's clients).

Brokerage divisions are generally segregated from all other areas of such entities by information barriers. Marcuard requires all selected entities with which orders are placed to provide Marcuard with best execution.

Marcuard does not accept clients' orders to buy or sell securities from discretionary asset management clients. In the case of client assets invested with Fund Managers selected by Marcuard, Marcuard has no control over their selection of brokers.

B. Soft Dollars

Marcuard does not have any arrangement with any given broker, which could be deemed as a "soft dollar" arrangement. The described practice usually includes using clients' commissions to obtain services or any other benefit for the financial advisor itself. However, certain custodian banks do provide Marcuard with research products, services and may subsidize certain components of Marcuard's office infrastructure. No arrangement of this kind is currently in place.

The aforementioned services were not paid for by direct commissions and were available to Marcuard free of charge and were not contingent upon committing to such custodian banks any specific amount

of business, assets in custody or trading activity. The services in question were used for the benefit of all or a substantial number of Marcuard's clients', including clients' accounts not maintained at the custodian bank providing the specific products and services.

Custodian banks may also provide services intended to help Marcuard manage and further develop its business activities but not necessarily benefit a particular client. Such contributions include but are not limited to: consulting, publications, conferences on management practice, information technology, regulatory compliance and marketing.

In order to mitigate any conflict of interest arising out of the previously discussed arrangement with specific custodian banks, Marcuard provides each client with objective data upon which an informed decision can be made regarding the selection of any particular custodian bank. Furthermore, clients are not obliged to act upon Marcuard's recommendations regarding the selection of custodian banks. Ultimately, only the client is responsible for deciding which custodian bank will be engaged.

C. Aggregate Trade Allocation and Trade Errors

As a general rule, Marcuard does not aggregate transactions. Should the latter occur, this is usually driven by the custodian bank working with a designated external broker. When aggregating orders, the clients involved will be treated in a fair and equitable manner. No account will be favored or disfavored over any other client account. The allocation of an aggregated order to a client account is generally determined and recorded before the order is placed and the order is filed on the basis of this pre-trade allocation. In an instance where an order could not be filed, the allocation would be pro-rata. Any additional information is available upon request.

In accordance with Marcuard's fiduciary duties, Marcuard exercises due care in making and implementing investment decisions for its clients. Moreover, and bearing in mind Marcuard's trading errors policy, Marcuard seeks to resolve all trade errors within reasonable time, while ensuring the affected client is not disadvantaged and the process involved is consistent with the orderly disposition (and/or acquisition) of the securities in question. In all situations where the client does not cause the trade error and actual losses are suffered by the particular client account as a result of a trade error caused by Marcuard, the loss caused will be reimbursed by Marcuard. Nevertheless, Marcuard will not compensate its clients for lost investment opportunities (i.e., a failure to take advantage of investment or market improvements).

If an investment gain results from a trade error caused by Marcuard, the gain shall remain within the client's account unless the same error involved the account of another client. Marcuard may also confer with a client to determine if the client in question should forego the gain (e.g. due to tax reasons). It is Marcuard's policy never to profit from any trade error induced by Marcuard itself.

Item 13 –Accounts’ Review

A. Frequency of Reviews

Marcuard’s own Portfolio Managers review each client account on a monthly basis. A higher review frequency is applied if circumstances require to determine - among other things - whether each account is appropriately positioned and whether applicable investment objectives and restrictions are being followed. Marcuard monitors the portfolio of Marcuard’s Funds for which it exercises advisory responsibilities in order to determine whether assets are being invested in accordance with applicable objectives and restrictions.

B. Written Reports

Marcuard’s *cockpit* and *invest* clients receive investment reports on a monthly or quarterly basis, based on Marcuard’s reporting tool. In addition, clients typically receive Marcuard’s profit and loss analysis report. Furthermore, Marcuard’s U.S. clients receive investment reports (in paper or electronically) containing portfolio valuations - including account statements - on a monthly or quarterly basis directly from the custodian banks. In addition to the latter most clients have direct electronic access to these bank reports through the online banking platform of the respective custodian bank. Deviations between the custodian’s bank valuation and Marcuard may occur based on different issue dates and/or different price sources. All clients are encouraged to compare any reports or statements provided by Marcuard against the account statements delivered by the custodian banks or available on their online banking platform. The latter is of special importance for positions such as hedge funds, private equity funds and artworks, since no final or current valuation/holdings are available at the time investment reports are provided to the clients and such values may differ from the values used by the custodian banks. Should a U.S. client hold such positions with no final or current valuations at the time management fees are calculated, Marcuard will generally charge the following fees:

- Private market funds, private market investments in general and illiquid investments:
- previously agreed Flat Fee;
- Hedge funds or other assets: fees can be based on provisional estimated values.

All clients are encouraged to contact both Marcuard and the respective custodian bank, should they have any question regarding their account(s) statement.

Funds under Marcuard’s management receive account statements directly from the qualified custodians holding the clients’ portfolio accounts or its third-party administrator. In addition, Marcuard and/or MFO Capital may prepare and distribute reports detailing the prior performance of the Marcuard Funds.

Item 14 – Client Referrals and Other Compensation

While Marcuard may receive research and brokerage services from custodian banks recommended to Marcuard's clients, such benefits are not given to Marcuard in exchange for Marcuard's recommendations.

Such research products and services may include, but are not limited to: written information and analyses concerning specific securities, companies or sectors, market, financial and economic studies and forecasts; statistical and pricing information and services; discussions with research personnel along with hardware, software, databases and other technical and telecommunication services and equipment used in the investment management process; computers or terminals, computer databases and quotation equipment, in each case, to access research or which provide research directly, research concerning market, economic and financial data; data on pricing and availability of securities; financial publications; electronic market quotations; performance measurement services. No arrangement of this kind is currently in place.

Marcuard enters into contractual agreements with third-parties worldwide to further its business activities. Hence, Marcuard generally remunerates the selected third-parties based upon the management fees earned on a specific client account in exchange for introducing a non-U.S. client. Currently, Marcuard does not have any solicitation arrangement for U.S. clients' with any third party.

Occasionally Marcuard will also enter into referral agreements with U.S. or non-U.S. clients ("**referring party**"), who will in turn, refer prospective clients ("**referred party**") to Marcuard. If the referred party should decide to enter into an investment advisory agreement with Marcuard, a referral fee may be paid to the referring party. The referral fee can be a fixed fee or a percentage of Marcuard's management fees on a specific client account. Both the previously mentioned agreement and any compensation derived thereof will be disclosed to the referred party. The referral relationship will not result in the referred party being charged any fees over and above the normal advisory fees charged for the advisory services provided.

Custodian banks and fund managers may occasionally cover employees' travel expenses. Travel expenses reimbursements are typically a result of attendance to due diligence and/or investment training events hosted by custodian banks and/or fund managers.

Although the reimbursement of travel expenses does not depend upon specific sales quotas to be fulfilled by Marcuard, this type of reimbursements is usually made by those custodian banks and/or Fund Managers for which sales have been made in the past or for which there is a certain degree of anticipation that sales will be made in the foreseeable future. The latter creates a conflict of interest, since employees are incentivized through the aforementioned preferential treatment to recommend

certain custodian banks and/or Fund Managers which are not compatible with the clients' best interests.

Marcuard attempts to mitigate the aforementioned conflict of interest by having such invitations reviewed and approved by its Chief Compliance Officer. Furthermore, Marcuard makes clear to custodian banks and/or Fund Managers that it will base its investment decisions solely upon its clients' specific needs.

Item 15 – Custody

With respect to investment advisory and family office services - except for Marcuard Funds - Marcuard does not have physical custody of its clients' assets at any time. The physical custody of clients' assets remains at all times with qualified custodians specifically selected by the clients themselves. However, since Marcuard's investment advisory fees may be automatically deducted from clients' accounts, this is deemed as *custody* by the SEC. In response to the latter Marcuard has established the following procedure in order to comply with the SEC's custody rules:

- All U.S. clients funds and securities are held at qualified custodians in a separate account for each client under the client's name;
- Clients and/or their appointed representatives will instruct in writing the establishment of all accounts and will therefore be aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained;
- Qualified custodians deliver account statements - on at least a quarterly basis - to Marcuard's U.S. clients or their appointed representatives. Clients should carefully review all delivered statements. Furthermore, all clients are urged to compare them against reports received from Marcuard. Clients are encouraged to contact Marcuard or the qualified custodian, should any questions arise out of the account statements or reports.

Regarding Marcuard Funds available to U.S. resident investors the situation is as follows:

MFO IDF I GP (BVI) Ltd. serves as the general partner of MFO IDF and hence has access to MFO IDF's assets and holdings. MFO IDF I GP (BVI) Ltd. is owned in its totality by MFO Capital, which is in turn owned in its totality by Marcuard itself.

MFO IDF's accounts are maintained at all times with qualified custodian(s) such as (1) a state or nationally chartered bank, (2) registered broker/dealer; or (3) other financial institution that provides qualified custodian services and meets the requirements for serving as a qualified custodian under U.S. federal securities laws.

MFO IDF provides all its U.S. resident investors with notice of the qualified custodian that is holding MFO IDF's accounts. Additionally, MFO IDF will engage a public accounting firm to audit the private

fund at least annually and audited financial statements (prepared in accordance with generally accounting principles) are distributed to all its investors and its U.S. resident policyholders within 180 days given that MFO IDF is a fund of funds, which invests 10% or more of its total assets in other pooled investment vehicles that are not advised by a related person after the end of MFO IDF's fiscal year (December 31st).

Item 16 – Investment Discretion

Marcuard has limited discretionary authority over clients' accounts in order to determine and act upon investment opportunities. Notwithstanding Marcuard's discretionary authority, clients are able to put in place reasonable restrictions on the type of investments Marcuard can make. The previously mentioned restrictions must be an integral part of or an attachment to the client's contractual agreement with Marcuard. Furthermore, clients must complete an authorization form and/or Limited Power of Attorney provided by the custodian bank of their choosing before Marcuard may provide them with discretionary advisory services. Marcuard's discretionary authority may be limited in accordance with clients' investment objectives, risk tolerance, reference currency, time horizon, investment strategy and - if applicable - restrictions specific to the account as established at the inception of the adviser-client relationship. The latter can be amended in accordance with clients' needs.

With respect to MFO IDF where Marcuard serves as the sub-advisor, Marcuard has discretionary authority to manage securities accounts owned by MFO IDF. Marcuard has the authority to determine the type and the amount of securities that can be bought or sold for MFO IDF's portfolio. Hence, Marcuard is entitled to buy and sell investments without prior consultation or approval from MFO IDF or any of its limited partners. In addition, MFO Capital - Marcuard's subsidiary - has discretionary authority with respect to MFO IDF to select brokers, dealers, banks, financial institutions, counterparties, fund managers, custodians and other intermediaries by or through whom any transactions will be executed or carried out from time to time and open, maintain and close accounts with such entities. As part of this responsibility, MFO Capital has the ability to negotiate certain expenses imposed by such financial institutions on MFO IDF.

Item 17 – Voting Client Securities

Marcuard does not act as custodian or nominee/trustee for its U.S. clients. The latter will receive proxy notices from their chosen account(s) custodian(s). In exceptional cases, clients may instruct Marcuard to exercise voting rights on their behalf based upon written instructions. A proxy voting policy (available upon request) ensures that proxies are voted in clients' best interests.

Item 18 – Financial Information

Marcuard does not have any adverse financial information to disclose. Moreover, Marcuard is not required to provide a balance sheet under the current Item. Marcuard's Management is of the opinion that Marcuard is financially sound and stable.