



**Part 2A of Form ADV**

Brochure Document

**March 2023**

1450 Brickell Avenue  
Suite 3050  
Miami, Florida 33131

(305) 677-6688

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

This Brochure (the “Brochure Document”) provides information about the qualifications and business practices of GenTrust, LLC (hereinafter “GenTrust”). If you have any questions about the contents of this Brochure Document, please contact us at (305) 677-6688. The information in this Brochure Document has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Additional information about GenTrust is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

GenTrust is an SEC registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2            Material Changes**

There have been no material changes to this Brochure Document since its filing with the SEC in August 2022.

A copy of GenTrust's complete Form ADV Brochure Document and Brochure Supplement is available without charge by contacting GenTrust at (305) 677-6688. Additional information about GenTrust is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

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#### **Item 4            Advisory Business**

GenTrust provides wealth management, investment management, financial planning, and consulting services. Prior to engaging GenTrust to provide any of the foregoing investment advisory services, clients are required to enter into a written agreement with GenTrust setting forth the terms and conditions under which GenTrust renders its services (an “Agreement”).

The principal owners of GenTrust are James Besaw, George Perez, Guillermo Socarras, and Eli Cohen. Kudu Investment US, LLC ("Kudu"), a Delaware limited liability company, owns a passive, non-controlling minority stake in GenTrust.

As of December 31<sup>st</sup>, 2022, GenTrust managed approximately \$2.80 billion in assets, of which \$2.42 billion are on a discretionary basis and \$376 million are on a non-discretionary basis.

##### **Financial Planning, Consulting and Concierge Services**

GenTrust offers clients a broad range of comprehensive financial planning, consulting, and concierge services. These services are tailored to the individual needs of the client, but may include income planning, cash flow analysis and budgeting. GenTrust’s concierge services include assistance with the essential lifestyle demands of high-net-worth clients, such as coordination of bill pay and assistance with travel planning.

##### **Services to Financial Intermediaries**

GenTrust also provides research, consulting, research reports, and support services on a wholesale fee basis to investment advisory firms (“Financial Intermediaries”) to assist such firms in providing manager recommendations, monitoring, and reporting services to the Financial Intermediary’s Clients (“Financial Intermediary Clients”). Depending on the scope of the agreement, Financial Intermediaries may receive operational support, model portfolios, third-party manager due diligence, reporting, marketing, training and other services or support from GenTrust, including the use of GenTrust’s office space at favorable market rates.

GenTrust may recommend the services of other investment professionals to implement investment recommendations. Clients and Financial Intermediary Clients are under no obligation to act upon any of the recommendations made by GenTrust under a financial planning or Financial Intermediary engagement or to engage the services of any such recommended professional, including GenTrust itself. Clients and Financial Intermediaries retain absolute discretion over all such implementation decisions and are free to accept or reject any of GenTrust’s recommendations. Clients and Financial Intermediaries are responsible for promptly notifying GenTrust if there is any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising GenTrust’s previous recommendations and/or services.

## **Investment Management Services**

Clients can engage GenTrust to manage all or a portion of their assets on a discretionary or non-discretionary basis, which may include all or a portion of the financial planning services, concierge, or consulting services discussed above. GenTrust allocates clients' assets to mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities, options, independent managers, and other securities in accordance with their individual investment objectives. In addition, when consistent with the clients' investment objectives, GenTrust may recommend that clients who are "accredited investors" as defined under Rule 501 of the Securities Act of 1933 ("Securities Act") or "qualified purchasers" as defined under Section 2(a)(51) of the Investment Company Act of 1940 ("Investment Company Act"), as amended, invest in strategies offered through private placement securities, which may include debt, equity, and/or pooled investment vehicles (e.g., hedge funds), including private investments of GenTrust's affiliate, Catenary Alternatives Asset Management, LLC ("CAAM"). GenTrust may also provide advice with respect to positions or investments held in clients' portfolios. GenTrust may also be engaged to provide these services as a sub-adviser to clients of Financial Intermediaries ("Sub-advisory Clients").

GenTrust tailors its advisory services to the individual needs of clients. GenTrust consults with clients initially and periodically to determine risk tolerance, time horizon, and other factors that can impact a client's investment need and together with the client select an appropriate benchmark. The benchmark, which consists primarily of widely recognized market indexes, allows the client to track GenTrust's returns versus the broader investible universe and evaluate the portfolio's performance relative to the client's agreed upon goals and risk level. The client's benchmark is updated as needed, typically when there is a material change to a client's risk profile. GenTrust has in place policies to ensure that clients' investments are suitable for their investment needs, goals, objectives, and risk tolerance.

Clients should promptly notify GenTrust if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon GenTrust's management services. Clients may impose reasonable restrictions or mandates on the management of their account if, in GenTrust's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

## **Retirement Accounts**

When we provide investment advice to clients regarding their retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title 1 of ERISA and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with our client's interests, so we operate under a special rule that requires us to act in our client's best interest and not put our interest ahead of our clients'. Under the Rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice).

- Never put our financial interests ahead of our clients when making recommendations (give loyal advice).
- Avoid misleading statements about conflicts of interest, fees, investments.
- Have in place policies and procedures designed to ensure that we give advice that is in the clients' best interest.
- Charge no more than is reasonable for our services; and
- Provide our clients with basic information about conflicts of interest.

### **Retirement Account Rollovers**

We offer recommendations and advice concerning employer retirement plan or other qualified retirement accounts. Our recommendations may include that the client consider withdrawing the assets from his/her employer's retirement plan or other qualified retirement account and roll the assets over to an IRA or other qualified investment vehicle. If a client elects to roll the assets to an IRA that is subject to our management, we will charge an asset-based fee as described under Item 5 of this Brochure Document. This poses a conflict of interest because we have an incentive to recommend a rollover for the purpose of generating compensation rather than solely based on the client's needs. As a fiduciary, we are required to always act in the client's best interests. Clients are under no obligation, contractually or otherwise, to rollover their retirement assets, or to have their assets rolled into an IRA managed by us.

It is Important for clients to understand that many employer retirement plan sponsors permit former employees to keep their retirement assets in their company plan, even after the employee terminates their employment with the company or retires. In determining whether to rollover employment retirement plan assets to an IRA or other investments vehicle, clients should consider the costs and benefits of each option. Employees will typically have the following options:

- Leave the funds in the employee's (or former employee's) plan.
- Move the funds to their new employee's retirement plan.
- Withdraw the funds from the plan, which results in a taxable distribution and a taxable event.
- Rollover the funds into an IRA or other qualified plan.

Before making any changes to their plan, we encourage clients to carefully consider the tax implications with their accountant or tax advisor. Below is some general information regarding the differences and features of employer 401K Plan versus an IRA. Clients should consider these differences and features prior to deciding to rollover plan assets to an IRA. Although employer retirement plans may have a more limited investment menu than the investment options available in an IRA, the plan could also have unique investment options not available to the public, such as the opportunity to invest in the employer's securities if the employer is a publicly traded company. The employer retirement plan may offer financial advice, guidance, and/or model management or portfolio options at no additional cost, or at a fee which may be lower than our advisory fee. Clients should understand the various investments available in an IRA and the costs. For information regarding our fees and expenses please refer to Item 5 of this Brochure Document.

In some cases, the employer retirement plan may allow participants to hire us as manager and keep the assets titled in the plan's name. Clients interested in investing only in mutual funds should understand the cost structure of the share classes available in the employee's retirement plan and how the costs of those share classes compare with those available in an IRA. It may be possible to take out a loan on 401k Plan assets. This option is not available for IRAs. It may be possible to delay taking 401k Plan or retirement account minimum distributions beyond age 72. A 401k Plan may offer more liability protection than an IRA. Although IRA assets are generally protected from creditors in bankruptcies, depending on state law, there can be some exceptions to the general rules.

IRA distributions are subject to ordinary income tax and may also be subject to a 10% early distribution tax penalty unless they qualify for an exception. There are certain exceptions available based on age, disability, or if the assets are used to pay for higher education expenses or to purchase a home. It is important that clients understand the differences and options available as well as the cost and tax implications to determine whether an IRA rollover is appropriate.

### **Use of Independent Managers and CAAM**

As mentioned above, GenTrust may recommend independent investment managers ("Independent Managers"), when appropriate, to manage all or a portion of a client's assets. Additionally, GenTrust may also recommend investments managed by its affiliate, CAAM. The terms and conditions under which a client engages an Independent Manager are set forth in a separate written agreement between GenTrust or the client and the designated Independent Manager. GenTrust renders services to the client relative to the discretionary selection of Independent Managers. GenTrust also monitors and reviews the account performance and the client's investment objectives. Generally, GenTrust receives an annual advisory fee, which is based upon a percentage of the market value of the assets being managed by the designated Independent Managers, but it does not receive additional compensation from CAAM.

When recommending an Independent Manager for a client, GenTrust reviews information about the Independent Manager, such as its disclosure Brochure Document and/or material supplied by the Independent Manager or independent third parties, for a description of the Independent Manager's investment strategies, past performance, and risk results, to the extent available. Factors that GenTrust considers in recommending an Independent Manager include the client's stated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated Independent Managers, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, GenTrust's investment advisory fee. Although GenTrust does not receive compensation from CAAM for recommending that clients invest in CAAM's funds, such recommendations pose a conflict for GenTrust because (i) CAAM benefits from managing a larger portfolio of assets, (ii) certain owners of GenTrust are also owners of CAAM, and therefore, they receive economic benefit from fees charged by a CAAM fund to a GenTrust investor. However, in the event that GenTrust clients pay a management fee to a CAAM fund, the fund will be excluded from GenTrust's advisory fee calculations. GenTrust manages this conflict through disclosure, so that clients can make an informed decision and through policies and procedures that require it to act in the best interest of its clients.

In addition to GenTrust's Form ADV Part 2A Brochure Document, clients also receive the Brochure Document from the designated Independent Manager. Certain Independent Managers may impose more restrictive account requirements and different billing practices than GenTrust. In such instances, GenTrust may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

### **Private Funds and Special Purpose Vehicles – Management Services**

GenTrust serves as the investment adviser to a special purpose vehicle ("SPV"), which was established to facilitate clients' investments in private companies or other limited offerings. GenTrust serves as the managing member of the SPV, as applicable, and provides portfolio management and administrative services. The SPV does not pay a management fee to GenTrust but, as set forth below, may pay an incentive fee and are subject to certain expenses, such as audit, tax, and legal fees. Although GenTrust does not receive management fees from the SPV, GenTrust's receipt of additional compensation in the form of incentive compensation poses a conflict, in that GenTrust has an incentive to recommend the investment in the SPV in order to receive additional incentive compensation. GenTrust manages this conflict through disclosure and through policies that require it to act in the client's best interest.

Interests in the SPV are not registered securities under the Securities Act. In addition, the SPV is not registered as an investment company under the Investment Company Act. Accordingly, interests in the SPV were available only to investors satisfying the applicable eligibility and suitability requirements in private transactions. Other restrictions applied, and the opportunity to invest in the SPV was only offered to clients for whom GenTrust felt such an investment was appropriate and suitable.

### **Item 5 Fees and Compensation**

GenTrust offers its services to clients and Financial Intermediaries on a fee basis, which may include fixed fees, fees based on assets under management, fees based on assets under advisement and/or the performance of a client's portfolio.

#### **Investment Management Fees**

GenTrust provides investment management services for an annual fee, billed quarterly on a pro-rata basis. GenTrust clients are charged a base fee, fixed fee, or a combination of base and performance fee, as indicated on the GenTrust Client Agreement. GenTrust's annual fees do not include brokerage commissions, transaction fees, and other related costs and expenses that may be incurred by a client.

GenTrust's investment advisory fee is agreed upon individually with each client, Financial Intermediaries and Financial Intermediary Clients. In general, GenTrust's annual base fee ("base fee") is prorated and charged quarterly, in advance, based upon the market value of the assets (which include cash balances) being managed by GenTrust on the last day of the previous quarter.



Account values are determined by the client's custodian, or other independent third-party source. The annual base fee varies (up to 1.50%) depending upon the market value of the assets under management and the type of investment management services to be rendered. A pro rata fee is applied to assets added during the intra-quarter period, but generally no adjustments are made for partial withdrawals by clients during any intra-quarter period for which such fee is charged. To the extent clients invest in products managed by GenTrust or its affiliates, the base fee may be waived for those assets. Assets are initially designated to GenTrust for management under the GenTrust Client Agreement.

Fees from Financial Intermediary Clients are paid to GenTrust in accordance with the terms of each Financial Intermediary Client investment management agreement. The Financial Intermediaries may have different billing practices than GenTrust. Such billing practices are disclosed in the Financial Intermediaries' Disclosure Document. As appropriate and applicable, GenTrust may alter its billing practices to accommodate those of the Independent Managers. Upon termination of an account, any investment management fees paid in advance will be refunded on a pro rata basis based on the number of days remaining in the billing period.

### **Performance Fees**

GenTrust may render investment management services to qualified clients for a performance-based fee in accordance with the requirements set forth in applicable laws, rules, and regulations. For those clients, GenTrust charges a fee based upon a percentage of the market value of the assets being managed by GenTrust in addition to a fee based on the performance of the account ("performance fee").

GenTrust may charge a performance fee of up to thirty five percent (35%) of the net profits in certain accounts and as outlined in the client's investment management agreement. GenTrust's performance fee is charged annually, in arrears, based on the net gains of the client's portfolio at the end of the calendar period (fiscal year end) or as otherwise outlined in the client's investment management agreement with GenTrust.

GenTrust, in its sole discretion, may charge a lesser management or performance fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention etc.).

### **Financial Planning, Reporting and Consulting Services Fees**

To the extent not included as part of the firm's investment management services, GenTrust may charge a fixed fee for financial planning, expense and budget reporting and consulting services. These fees are negotiable, but generally range from \$1,000 to \$100,000 per quarter, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. If the client engages GenTrust for additional investment advisory services, GenTrust may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Prior to engaging GenTrust to provide financial planning, reporting and/or consulting services, clients are required to enter into a written agreement with GenTrust setting forth the terms and conditions of the engagement.

#### **Financial Intermediaries Fees**

GenTrust's compensation for services rendered to Financial Intermediaries directly is generally comprised of a percentage of assets under management, a percentage of assets under advisement or a fixed fee.

#### **Investment Reporting Fees**

Clients can engage GenTrust to provide investment reporting services for investments and/or accounts that are not managed by GenTrust or for which GenTrust does not provide investment advice ("Reported Assets"). The fee for this service is negotiable but is generally not greater than .10% of the Reported Assets, billed in advance on a quarterly basis, and based on the market value of the Reported Assets as of the last day of the previous quarter. Additionally, GenTrust may offset all or a portion of its fees for investment reporting services based upon the amount paid for the investment management services.

#### **Private Fund and Special Purpose Vehicle Fees and Expenses**

SPV investors are not subject to a management fee but may be subject to carried interest of up to 10% of net profits, after returning 100% in addition to all of investors' contributed capital. GenTrust may enter into side letter arrangements with certain investors of its SPV in which the firm grants them preferential terms. GenTrust is required to treat all clients fairly and equitably.

The SPV will typically bear all legal and other expenses incurred in formation of the fund and the offering of the interests. The SPV also pays all costs, expenses, and liabilities in connection with its operations, including legal, compliance, fees, costs, and expenses related to investments, research (including research related travel); taxes; fees and expenses of accountants and counsel (including third party administration and accounting services); litigation expenses; and any other extraordinary expenses. GenTrust seeks to allocate expenses fairly, equitably, and consistent with the documents governing GenTrust's relationship with each SPV. When allocating expenses, GenTrust must interpret the SPVs' governing documentation and make determinations whether expenses are allocated and paid, in full or in part, by an SPV and/or GenTrust, which creates a conflict of interest. GenTrust has implemented written policies, procedures, and guidelines designed to mitigate conflicts of interest.

#### **Fees Charged by Financial Institutions**

As further discussed in response to Item 12 below, GenTrust generally recommends that clients utilize the brokerage, custodial, and clearing services of various broker-dealers, trust companies, or banks (collectively, "Financial Institutions") for investment management accounts.

GenTrust may only implement its investment management recommendations after a client has arranged for and furnished GenTrust with all information and authorization regarding accounts with appropriate Financial Institutions.

Clients will generally incur certain charges imposed by the Financial Institutions and other third parties such as fees charged by Independent Managers (as defined above), custodial fees, charges imposed directly by a mutual fund or ETF, deferred sales charges, odd-lot differentials, trade away fees, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Financial Institutions, executing broker(s) and/or their affiliates may have distribution or similar arrangements with fund families and receive distribution fees and other compensation in the form of management fees, placement fees, sales charges, redemption fees, structuring fees, due diligence fees and trailer fees from products they issue, manage, and/or distribute, or from third-party providers. GenTrust's clients may purchase fund shares directly from the funds without using GenTrust's services or incurring our advisory fee.

It is possible that clients may obtain share classes that are less expensive than the share classes available through GenTrust. Please refer to the fund's prospectus or offering documents for additional information. GenTrust does not receive trail commissions or 12b-1 fees. When investing in funds for a client's portfolio, GenTrust generally seeks to invest in the share class that is most advantageous to the client under the circumstances.

Mutual fund companies typically offer multiple share classes of the same fund. Share classes are described in the mutual fund's prospectus. Each share class charges different fees and internal expenses. Depending on the share class selected, fees and internal expenses charges may be higher or lower. Certain funds do not charge a transaction fee but have higher internal expenses. Selecting funds that charge higher fees and expenses may adversely impact an account's long-term performance.

Clients will pay their proportionate share of the mutual fund's management and administrative fees and sales charges, as set forth in the mutual fund prospectus. Such advisory fees are compensation to the mutual fund-manager and are not shared with GenTrust. GenTrust generally recommends institutional, or advisor share classes that typically have the lowest expense ratios and are more beneficial than other share classes. Institutional or advisor share classes are usually available to investors in qualified fee-based advisor programs, or accounts that meet certain minimum investment requirements. When deemed appropriate for a client's specific situation, GenTrust may at times recommend selecting or holding a mutual fund share class that charges higher internal expenses than other available share classes for the same family. GenTrust will conduct periodic testing to ensure that the appropriate recommended share class has been selected for its clients. For share classes transferred in from other financial institutions, GenTrust will as soon as practicable, evaluate whether more beneficial share classes may be available for the client

to exchange at no cost and recommend that the client switch to a different lower cost share class, or may recommend liquidating the existing mutual fund holdings, which could result in tax consequences, or the client having to pay contingent deferred sales charges, or other redemption fees.

In addition to all other fees and expenses incurred in the management of advisory accounts, client accounts that utilize margin strategies will also incur interest charges. While the clients' margin debit balance is typically not included when calculating GenTrust's fees, securities purchased and held on margin are included in GenTrust's advisory fee calculations. This poses a conflict of interest for GenTrust, and GenTrust manages this risk through disclosure so that clients can make an informed decision and through policies and procedures that require us to act in the client's best interest.

GenTrust's Agreement and/or the agreement between a client and a Financial Institution typically authorizes GenTrust or an Independent Manager to debit the client's account for the amount of GenTrust's fee and to directly remit that management fee to GenTrust or the Independent Manager. Financial Institutions recommended by GenTrust offer clients online access to their accounts and have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to GenTrust. Alternatively, clients may elect to have GenTrust send an invoice for payment.

### **Fees for Management during Partial Periods of Service**

Generally, for the initial period of investment management services, fees are calculated on a pro rata basis. An Agreement between GenTrust and a client will continue in effect until terminated by either party pursuant to the terms of the Agreement. GenTrust's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to GenTrust's right to terminate an Agreement. Additions may be in cash or securities provided that GenTrust reserves the right to liquidate any transferred securities or decline to accept management of particular securities in a client's account. Clients may withdraw account assets on notice to GenTrust, subject to the usual and customary securities settlement procedures. However, GenTrust designs its portfolios as long-term investments, and the withdrawal of assets may impair the achievement of a client's investment objectives. GenTrust may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge), and/or tax ramifications.

If assets are deposited into an account after the inception of a quarter or month, the fee payable with respect to such assets will be prorated based on the number of days remaining in the respective quarter or month. If assets are withdrawn from an account, the pro-rated fee will not be refunded. As noted, we will also prorate and refund advisory fees when an account is terminated.

## **Commissions or Sales Charges for Recommendations of Securities**

One of GenTrust's investment adviser representative ("IAR") is a registered representative of Old City Securities, LLC ("OCS"), an unaffiliated SEC registered broker-dealer and member of FINRA. In his capacity as registered representative of OCS, such Supervised Person may receive commissions for the sale of certain private placement securities. A conflict of interest exists to the extent that GenTrust recommends the purchase of private placement securities to GenTrust's clients and where a GenTrust IAR receives commissions or other additional compensation as a result of GenTrust's recommendations. GenTrust has procedures in place to ensure that any recommendations made by such IAR is in the best interest of clients.

## **Compensation for the Sale of Other Investment Products**

One of GenTrust's Supervised Persons providing investment advice on behalf of our firm is licensed as an insurance broker and will earn commission-based compensation for selling insurance products, including insurance products sold to GenTrust clients. A portion of the commissions earned by this insurance broker will be paid to GenTrust. In addition, insurance commissions earned are separate and in addition to our advisory fees. This practice presents a conflict of interest because, as a Supervised Person and insurance broker who provides investment advice on behalf of our firm, this individual has an incentive to recommend insurance products to clients for the purpose of generating commissions; however, we always endeavor to place our clients' interests first when making recommendations regarding insurance and investments. We mitigate this conflict, through disclosure and require that each client who desires to purchase a commission-generating insurance product receive an insurance disclosure statement and acknowledge such receipt. Finally, clients are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Material conflicts of interest between GenTrust, or our employees, and our clients are generally disclosed in this Disclosure Brochure Document. If at any time, additional material conflicts of interest develop, we will provide clients with written notification of the material conflicts of interest or an updated Disclosure Brochure Document.

## **Item 6 Performance-Based Fees and Side-by-Side Management**

As discussed in response to Item 5, above, GenTrust may render investment management services to qualified clients and SPVs for a performance-based fee. Such fees may create an incentive for GenTrust to make investments that are riskier or more speculative than would be the case absent a performance fee. In addition, where GenTrust charges performance-based fees while providing similar services to accounts not paying performance-based fees, there is an incentive to favor accounts paying a performance-based fee.

GenTrust has procedures in place to ensure that all clients and investment vehicles are treated fairly and that any recommendations made are in the best interest of clients regardless of the client's fee structure.

## **Item 7           Types of Clients**

GenTrust provides its services to individuals, banks or thrift institutions, trusts, estates, charitable organizations, corporations, pooled investment vehicles, and other types of business entities, such as other registered investment advisers.

GenTrust generally requires clients to have a minimum account size of \$10,000,000. However, GenTrust may waive this requirement at its discretion. The accounts of family members may be aggregated to meet the minimum portfolio size. In addition, the minimum requirement will be waived for employee related accounts.

Certain Independent Managers may impose more restrictive account requirements than GenTrust. In such instances, GenTrust may alter its corresponding account requirements to accommodate those of the Independent Managers.

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

### **Methods of Analysis**

GenTrust relies upon a proprietary combination of fundamental, technical, and macroeconomic methods of analysis.

Fundamental analysis involves an assessment of the fundamental financial value of an asset. GenTrust generally analyzes the financial condition, expected cash flows, uncertainty and risks to those cash flows and cash flows of other investment alternatives in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is in assessing the uncertainty of the financial conditions and cash flows of various assets.

Technical analysis involves the examination of past market data rather than valuation metrics in determining the recommendations made to clients. Technical analysis generally involves the use of charts and/or mathematics-based metrics to identify market patterns and trends that may be premised on investor sentiment rather than the fundamentals of an asset. GenTrust uses a proprietary technology platform, which seeks to streamline and digitize the processes of investment analysis and incorporates client management and reporting functions. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that GenTrust will be able to accurately predict such a reoccurrence.

Macroeconomic analysis involves the assessment of market conditions at a macroeconomic level (entire market/economy, sectors, and asset classes), rather than the overall fundamental analysis of the health of a particular asset that GenTrust is recommending. The risks with macroeconomic analysis are similar to those of both fundamental and technical analysis.

### **Investment Strategies**

GenTrust's investment approach seeks to make institutional-quality investment design and risk management accessible to high-net-worth individuals and families. In developing client portfolios, GenTrust seeks to incorporate the latest academic research complemented with extensive primary research to design its approach.

GenTrust's investment approach is based on the following guidelines which guide the firm's investment decisions:

- Focus on Asset Allocation –Our approach focuses on designing the optimal asset allocation for each client.
- 
- Diversification – Diversification creates portfolios with attractive reward/risk characteristics.
- Macro Risk Factor Driven Allocations – Core asset allocation is based on the expected performance of each asset class during various macroeconomic scenarios positioning the portfolio to be more stable across market environments.
- Scenario-Based Risk Management – Backward-looking risk measures rely on history repeating itself; GenTrust utilizes forward-looking scenario analysis to evaluate the risk in portfolios and optimize allocations.
- Valuation – GenTrust examines the fundamental links between asset classes to determine their relative value and adjust allocations over time.

### **Risks of Loss**

#### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per-share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the

secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *Options*

Options allow investors to buy or sell a security at a contracted “strike” price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

### *Market Risks*

The profitability of a significant portion of GenTrust’s recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that GenTrust will be able to predict those price movements accurately.

### *Use of Independent Managers*

GenTrust may recommend the use of Independent Managers for certain clients. GenTrust will continue to perform ongoing due diligence of such managers, but such recommendations rely, to a great extent, on the Independent Managers’ ability to successfully implement their investment strategy. In addition, GenTrust does not have the ability to supervise the Independent Managers on a day-to-day basis other than as previously described in Item 4, above.

### *Use of Private Collective Investment Vehicles*

GenTrust may recommend the investment of certain clients in privately placed collective investment vehicles (typically referred to as hedge funds, private placements, private equity investments). The managers of these vehicles will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. These investment vehicles may trade on margin or otherwise leverage positions, use derivatives, and engage in short selling strategies thereby potentially increasing the risk to the investor. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. The client will receive a private placement memorandum



and/or other documents explaining such risks.

#### *Real Estate Investment Trusts (REITs)*

GenTrust may recommend an investment in, or allocate assets among, various REITs, the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the REIT's shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity, and counterparty risk.

#### *Use of Margin*

To the extent that a client authorizes the use of margin, and margin is thereafter employed by GenTrust in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to GenTrust will be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin shall correspondingly increase the management fee payable to GenTrust. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

While the use of margin borrowing can substantially improve returns, such use also increases the adverse impact to a client's portfolio. Borrowings will usually be from brokers-dealers, banks or similar financial institutions and will typically be secured by the client's securities and/or other assets. Under certain circumstances, the lending broker-dealer, bank or financial institution may demand an increase in the collateral that secures the client's obligations and if the client were unable to provide additional collateral, the lending financial institution will typically liquidate assets held in the account to satisfy the client's obligations. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the client's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the client's profitability.

#### *Proprietary Investment Process, Systematic Errors, and Trading Methods Risk*

GenTrust's investment strategies rely on proprietary models. The models utilize various assumptions based on the historic correlation and volatility structure of the market to predict the effect of market movements in a portfolio. There are no assurances that the results will be as forecasted by the model, particularly during significant market events. Due to the proprietary nature of GenTrust's methodologies, investors will not be able to fully evaluate all details of GenTrust's processes. The models may have hidden biases, flaws or errors and investors should be aware that this is an inherent risk in GenTrust's models. GenTrust has no control over

systematic errors in third party software or systems and there are no assurances that once an error is discovered, it will be resolved promptly or favorably. Systematic errors may increase trading risks and expose investors to significant losses.

### *Software Technology and System Failure Risks*

GenTrust relies on software or technology licenses and service agreements with third parties. GenTrust's ability to trade, manage, or monitor accounts may be substantially impaired in the event that any of the systems, analytical tools, data, or software becomes unavailable or fails to operate properly. While GenTrust seeks to ensure, whenever possible, that it has in place adequate backups, there is no guarantee that its efforts will be successful. Backup systems may fail to operate properly, particularly when used for extended periods. These failures would impact GenTrust's ability to trade for or monitor client accounts and would likely result in investors incurring significant losses.

### *Cyber Risk*

Investment advisers, including GenTrust, must rely in part on digital and network technologies ("cyber networks") to maintain substantial computerized data about activities for client accounts and otherwise conduct their businesses. Such cyber networks might in some circumstances be subject to a variety of possible cybersecurity incidents or similar events that could potentially result in the inadvertent disclosure of confidential computerized data or client data to unintended parties, or the intentional misappropriation or destruction of data by malicious hackers seeking to compromise sensitive information, corrupt data, or cause operational disruption. Cyber-attacks might potentially be carried out by persons using techniques that could range from efforts to electronically circumvent network security or overwhelm websites to intelligence gathering and social engineering functions aimed at obtaining information necessary to gain access. GenTrust maintains policies and procedures on information technology security, it has certain technical and physical safeguards intended to protect the confidentiality of its internal data and takes other reasonable precautions to limit the potential for cybersecurity incidents, and to protect data from inadvertent disclosure or wrongful misappropriation or destruction. Nevertheless, despite reasonable precautions, the risk remains that cybersecurity incidents could potentially occur, and such incidents, in some circumstances, might result in unauthorized access to sensitive information about GenTrust or its clients or their investors, and/or cause damage to client accounts or GenTrust's activities for clients or their investors. GenTrust will seek to promptly notify affected clients and investors of any known cybersecurity incident that may pose a substantial risk of exposing confidential personal data about such clients or investors to unintended parties.

### *Effects of Health Crises and Other Catastrophic Events*

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war, or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on clients' investments and GenTrust's operations. For example, any preventative or protective actions that governments

may take in respect of such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for client portfolio companies. In addition, under such circumstances the operations, including certain functions of GenTrust and other service providers could be reduced, delayed, suspended, or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

## **Item 9           Disciplinary Information**

GenTrust is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. GenTrust does not have any required disclosures to this Item.

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

GenTrust is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.

GenTrust's relationship with its affiliate, CAAM is material to its advisory business and its clients. Certain officers, members of GenTrust's management team and employees also serve or are employed by this affiliate. GenTrust's clients are under no obligation to use the affiliate's services and may obtain products and services that may be more or less favorable than those offered by GenTrust's affiliates from unaffiliated third parties.

### **Catenary Alternative Asset Management, LLC**

As noted previously, CAAM and GenTrust share office space, management, supervisory and administrative personnel, and portfolio managers. GenTrust may recommend that its advisory and Financial Intermediary clients invest in CAAM funds or strategies managed by CAAM. However, CAAM and GenTrust generally will not invest in the same asset class. Although GenTrust clients typically do not pay a management fee to CAAM funds, they may pay a management and performance fee to CAAM for a separately managed account under CAAM. If a GenTrust client pays a management fee to a CAAM fund, the fund will be excluded from GenTrust's advisory fee calculations. Recommending that clients invest in CAAM poses a conflict of interest, because CAAM benefits from increased assets under management which helps it reduce expenses and market the proprietary funds. CAAM and GenTrust manage this conflict through disclosure and thorough policies and procedures that require it to make recommendations that are in the client's best interests.

### **GenTrust PR, LLC**

GenTrust PR is affiliated as a result of common ownership with GenTrust. GenTrust PR, currently provides GenTrust with operational support. GenTrust PR will provide investment advisory services in the future, with a focus to the Puerto Rican market. GenTrust PR operates as a branch office of GenTrust under the supervision of the main office.

### **Kudu Investment US, LLC**

Kudu Investment US, LLC (“Kudu”), is a Delaware limited liability company, which owns a passive, non-controlling minority stake in GenTrust. Kudu has no influence or control on the day-to-day management of GenTrust.

### **Registered Representatives of Broker-Dealer**

Certain of GenTrust’s Supervised Persons are registered representatives of OCS, an unaffiliated broker-dealer and receive transaction-based compensation for the sale of certain private placements of securities. This relationship is described in Item 5 (above).

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

GenTrust, its employees and persons associated with GenTrust (“Supervised Persons”) are permitted to buy or sell securities that are also recommended to clients consistent with GenTrust’s policies and procedures and Code of Ethics.

GenTrust has adopted a Code of Ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws (“Code of Ethics”). In accordance with Section 204A of the Investment Advisers Act of 1940 (the “Advisers Act”), its Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material, non-public information by GenTrust or any of its Supervised Persons. The Code of Ethics also includes provisions relating to reporting of certain gifts, business entertainment items and political contributions; restrictions on the acceptance of significant gifts

The Code of Ethics requires that Supervised Persons report their personal securities holdings and transactions and obtain pre-approval of certain investments such as private investments, private placements, and limited offerings.

The Code of Ethics does not prohibit Supervised Persons from trading and investing in securities that GenTrust recommends to its clients. At times the sale or purchase of a security for a Supervised Person may precede or occur at the same time as a client trade. Supervised Person’s trades may also be combined with client trades, as part of an aggregated or block transaction where all accounts receive the same price.

Although the policy to allow employees to trade in the same securities as clients poses a potential conflict and the possibility for abuse in that, for example, the Supervised Person may seek to benefit by trading in advance of client activity, the Code of Ethics always provides that Supervised

Persons must act in the client's best interest and avoid actual or the appearance of conflict of interest or impropriety. Supervised Persons are required to submit reports of their trading activity and the activity is reviewed by the CCO or her designee.

Failure to abide by the Code of Ethics may subject the Supervised Person to sanctions including termination of employment. Clients and prospective clients may contact GenTrust at the telephone number on the front of this Brochure Document to request a copy of its Code of Ethics.

## **Item 12      Brokerage Practices**

As discussed above, in Item 5, GenTrust generally recommends that clients utilize the brokerage and clearing services of various Financial Institutions with whom GenTrust has custody and clearing arrangements. GenTrust will typically use custodian's brokers to execute securities transactions. GenTrust believes that using its custodian's broker relationships is in the best interest of its clients. The executing brokers may act on an agency or riskless principal basis for a variety of securities and other investments. In selecting third party brokers, GenTrust may consider research among many other factors. In such cases, Clients may pay higher commissions or mark-ups/markdowns than if GenTrust selected a broker that does not provide research. This poses a conflict in that GenTrust has an incentive to select the broker providing research, instead of obtaining the most favorable price, or lowest commission for Clients. GenTrust's policy is to act in the client's best interest. To the extent GenTrust receives research; GenTrust will use it to benefit all clients. Although GenTrust will seek to obtain competitive rates, to the benefit of all clients, GenTrust may not necessarily obtain the lowest possible commission rates for specific client account transactions.

Factors that GenTrust considers in recommending a Financial Institution to clients include their respective financial strength, reputation, execution, pricing, research, and service. Some of these Financial Institutions provide GenTrust with access to mutual funds and a wide range of securities without transaction charges or at nominal or reduced transaction charges. The commissions and/or transaction fees charged by the Financial Institutions we recommend may be higher or lower than those charged by other Financial Institutions.

GenTrust seeks to obtain best price and execution for all trades and to exercise diligence and care throughout the trading process. Clients may pay commissions that are higher than other Financial Institution might charge to effect the same transaction. GenTrust may select an executing broker that imposes higher commission charges if GenTrust determines that the overall commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. GenTrust seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions. GenTrust periodically reviews its policies and procedures regarding its recommendation of Financial Institutions considering its duty to seek to obtain best execution.

When placing trades for all clients and on an ongoing basis, GenTrust will determine whether to reinvest dividends for each investment unless specified by the client.

Any trade errors will be rectified to make the client whole as if the error did not occur. GenTrust will not seek to offset the cost of trade errors with soft dollars.

It is GenTrust's policy not to engage in principal transactions. However, GenTrust may use an unaffiliated broker-dealer to cross securities and/or cash between client accounts when such a transaction is advantageous for each participant. A "cross trade" generally refers to a transaction in which an advisor causes the purchase and sale of a particular security between two or more advisory client accounts without charging a fee for effecting the transaction. Employee accounts managed by GenTrust and client accounts subject to ERISA do not participate in cross trades.

### **Directed Brokerage**

A client may direct GenTrust in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution, and GenTrust will not seek better execution services or prices from other Financial Institutions or be able to "aggregate" client transactions for execution through other Financial Institutions with orders for other accounts managed by GenTrust (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, GenTrust may decline a client's request to direct brokerage if, in GenTrust's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

### **Trade Aggregation and Allocation**

Transactions for each client generally will be effected independently, unless GenTrust decides to purchase or sell the same securities for several clients at approximately the same time. GenTrust may (but is not obligated to) combine or "batch" such orders to seek to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among GenTrust's client's differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among GenTrust's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that GenTrust determines to aggregate client orders for the purchase or sale of securities, including securities in which GenTrust's Supervised Persons may invest, GenTrust generally does so in accordance with applicable regulatory rules and guidance.

GenTrust does not receive any additional compensation or remuneration as a result of trade aggregation. In the event that GenTrust determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be

allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines that prohibit it from purchasing other securities that are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, GenTrust may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

### **Commissions or Sales Charges for Recommendations of Securities**

As discussed above, GenTrust has a Supervised Person who in his respective individual capacity is a registered representative of OCS an unaffiliated broker-dealer. Neither GenTrust nor its Supervised Person who is a registered representative of OCS earn any commissions or fees with respect to client transactions in public securities. However, GenTrust's Supervised Person who is a registered representative of an unaffiliated broker-dealer may earn commissions with respect to sales of private placements. The amount of compensation is set forth in the Offering Memorandum delivered to investors. GenTrust and its Supervised Person who is a registered representative will not earn advisory fees on any brokerage accounts where a commission is earned.

### **Soft Dollars**

Consistent with its obligation to seek to obtain best execution, GenTrust may direct brokerage transactions to broker-dealers in return for investment research products and/or services that assist GenTrust in its investment decision-making process. Such research generally will be used to service all GenTrust's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and services, as well as the allocation of the benefit of such products and services, poses a conflict of interest because GenTrust does not have to produce or pay for the products or services. Thus, GenTrust may have an incentive to select or recommend broker-dealers based on GenTrust's interest in receiving research or other products and services, rather than clients' interest in receiving most favorable execution.

GenTrust has an arrangement with Fidelity Brokerage Services LLC ("Fidelity"), pursuant to which Fidelity allocates a portion of commissions generated by client trades to a pool of soft dollar credits maintained by Fidelity. At GenTrust's direction, Fidelity pays independent research providers for research products and services from this pool of soft dollar credits. This type of arrangement is called a commission sharing arrangement because Fidelity shares its commissions with independent research providers to pay for research products and services. Currently, GenTrust uses the soft dollars credits generated at Fidelity to help offset the costs of research and

research services.

With respect to any soft dollar arrangements, GenTrust will comply with the “safe harbor” provided by Section 28(e) of the Securities Exchange Act of 1934, as amended, which permits the use of soft dollars to obtain brokerage and research services that provide lawful and appropriate assistance to the investment adviser in the performance of its investment decision-making responsibilities.

### **Benefits and Support Provided by Financial Institutions**

GenTrust renders investment management services to clients that maintain assets custodied at various Financial Institutions. Specifically, these Financial Institutions include Fidelity, Pershing Advisor Solutions (“Pershing”), Northern Trust, (“Northern Trust”), Interactive Brokers (“IB”) and Charles Schwab & Co., Inc (“Schwab”). GenTrust receives certain benefits from these Financial Institutions including but not limited to computer software and related systems support, at no cost or reduced cost to GenTrust. These services allow GenTrust to better monitor client accounts maintained at the respective Financial Institutions. The software and related systems support generally benefits GenTrust but not its clients directly.

Additionally, GenTrust typically receives the following benefits from these Financial Institutions: access to its institutional trading desk that exclusively services; access to block trading, which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

The Financial Institutions also offer other services intended to help GenTrust manage and further develop its advisory practice. Such services may be offered at no cost, or at a reduced cost and may include, but are not limited to third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third-party service providers who provide a wide array of business-related services and technology with whom GenTrust may contract directly.

GenTrust receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. In addition, Schwab has also agreed to pay for certain products and services for which GenTrust would otherwise have to pay once the value of our clients’ assets in accounts at Schwab reaches a certain size. Clients do not pay more for assets maintained at Schwab as a result of these arrangements. However, GenTrust benefits from the arrangement because the cost of these services would otherwise be borne directly by us.

In fulfilling its duties to its clients, GenTrust endeavors at all times to put the interests of its clients first. Clients should be aware, however, that GenTrust’s receipt of economic benefits from Financial Institution creates a conflict of interest since these benefits may influence GenTrust’s choice of one Financial Institution over another that does not furnish similar software, systems



support, or services. GenTrust manages this conflict through disclosure, so that clients can make an informed decision and through policies and procedures that require it to act in the client's best interests.

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

For those clients to whom GenTrust provides investment management services, GenTrust monitors those portfolios as part of an ongoing process while regular account reviews are generally conducted on a quarterly basis. Accounts may be reviewed more frequently in response to events such as changes in market conditions, a client meeting, or client life event. For those clients to whom GenTrust provides financial planning and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by one of GenTrust's Supervised Persons. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with GenTrust and to keep GenTrust informed of any changes thereto. GenTrust contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

The client's custodians and executing brokers generally provide clients with transaction confirmation notices and periodic account statements. Those clients to whom GenTrust provides investment advisory services can also receive a consolidated report from GenTrust that contains such relevant account and/or market-related information such as a details of account holdings and account balances. Client reports may present account performance in relation to certain indices or benchmarks. Any benchmarks shown are presented for informational purposes only and are not a promise or guarantee that an account will meet or exceed such benchmarks. GenTrust reports may vary from custodial account statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Clients should carefully review and compare the account statements received from the custodian to the reports received from GenTrust and promptly inform GenTrust of any discrepancies.

In some cases, clients may provide GenTrust with pricing for securities or assets that are not verified independently by GenTrust. For example, investment in private placements of securities that do not trade in the secondary market and for which pricing is not available, or the value of the client's real estate holdings, or art collections. These assets will be shown on client reports separately and will not be used when calculating the client's management fees for the quarter.

From time-to-time GenTrust, as an accommodation to a client, may agree to manage an account that includes managed and non-managed assets. Under such circumstances GenTrust will have no authority or responsibility regarding non managed assets and the client shall be solely responsible for the monitoring of such assets and any losses incurred in connection with the investment and disposition of such assets.

Those clients to whom GenTrust provides financial planning and/or consulting services will receive reports from GenTrust summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by GenTrust. Unless specifically agreed to in writing, GenTrust

will not provide updates to the financial planning or consulting reports.

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

As disclosed under Item 5, the Fees and Compensation section in this Brochure Document, one of GenTrust's Supervised Persons provides investment advice on behalf of our firm and is also a licensed insurance broker. In his capacity as an insurance broker, he may sell insurance products, including, but not limited to, life, health, and long-term care products, and receive additional compensation, in the form of commissions, on the sale of such products to our firm's clients. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the Fees and Compensation section in Item 5 above.

GenTrust may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship may pose a conflict of interest and any such relationship is disclosed in response to Item 12, above.

In addition, GenTrust may compensate third parties for client referrals. All referral fees are paid in accordance with the requirements of Rule 206(4)-1 of the Advisers Act and any corresponding state securities law requirements. Generally, third-party promotor receives a portion of the management fees collected by GenTrust. Such fees are paid solely from GenTrust's fees and do not result in any additional charges to clients.

#### **Item 15      Custody**

Client accounts are held in custody by unaffiliated broker/dealers or banks, which is typically selected by the client. GenTrust has an open architecture and may manage accounts at financial institutions selected by the Client or Financial Intermediary, provided that the financial institution undergoes GenTrust's due diligence. GenTrust does not hold client funds or securities, these assets are held at the client's custodian. However, GenTrust is deemed to have custody of client assets under Rule 206(4)-2 of the Advisers Act (the "Custody Rule") due to the following factors:

- GenTrust has the limited ability to instruct the client's custodian to debit their investment advisory fees directly from the client's account at the Qualified Custodian.
- GenTrust's clients have Standing Letters of Authorization ("SLOA") arrangements through which the client authorizes payment of recurring bill payments to third parties. GenTrust relies on the guidance in the SEC's no action letter to the Investment Advisers Association dated February 2017 regarding these types of arrangements. .
- GenTrust is deemed to be subject to the Custody Rule, because of the authority GenTrust and/or its affiliates have over SPV assets. For those SPV assets for which GenTrust is deemed to have custody, GenTrust complies with the requirements of the SEC's Custody Rule by: (i) maintaining the SPV client's assets with a Qualified Custodian; (ii) engaging an independent public accountant registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB) to perform an annual surprise audit conducted in accordance with Generally Accepted Accounting Principles (GAAP)

for the SPV assets; (iii) distributing audited financial statements to SPV clients within 120 days of the SPV's fiscal year end.

- GenTrust provides certain concierge services to clients as noted under Item 4. The accounts of clients that receive concierge services are also subject to an annual surprise asset audit by an independent PCAOB accountant.

Clients should receive, at least quarterly, account statements from the broker-dealer, bank, or financial institution that holds and maintains client assets. GenTrust urges client to carefully review the custodial account statements, which are the official account records and compare such records to the reports and other information prepared by GenTrust. Clients are requested to promptly notify GenTrust of any discrepancies or if they are not receiving quarterly account statements from their custodians.

## **Item 16 Investment Discretion**

GenTrust is generally given the authority to exercise discretion on behalf of clients. GenTrust is considered to exercise investment discretion over a client's account if it can affect transactions for the client without first having to seek the client's consent. GenTrust is given this authority through a limited power-of-attorney included in the Agreement between GenTrust and the client. Clients may request a limitation on this authority (such as imposing certain restrictions on the types of securities to be bought or sold). The discretionary Agreement provides GenTrust with discretion to determine:

- The securities to be purchased or sold,
- The amount of securities to be purchased or sold,
- When transactions are made, and
- The Independent Managers to be hired or fired.

For non-discretionary clients, GenTrust may not make investment decisions, including buying or selling securities, for the client without prior consultation with, and the consent of, the client. In a non-discretionary arrangement, clients should understand that they may forego a particular transaction if GenTrust is unable to contact them to obtain their consent.

## **Item 17 Voting Client Securities**

GenTrust generally votes client securities (proxies) on behalf of its clients or has oversight of proxy voting for its clients. GenTrust's policy is that it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are more fully described in GenTrust's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in GenTrust's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Clients may contact GenTrust to obtain a copy of GenTrust's Proxy Voting Policies and Procedures.

In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that GenTrust maintains with persons having an interest in the outcome of certain votes, GenTrust will take appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict. For example, when GenTrust identifies a conflict, it may abstain from voting proxies for that security, or take other appropriate action.

GenTrust has engaged Broadridge Financial Solutions, Inc. (“Broadridge”), an independent third party to administer electronic proxy voting on behalf of GenTrust’s clients. Using the services of Broadridge provides GenTrust with customized proxy reports, ballot recommendations, and research tools. GenTrust maintains relevant records, through Broadridge, including but not limited to, electronic ballots and reports. Clients will receive upon request a history of our proxy voting record.

For those clients who do not retain GenTrust for proxy-voting authority, GenTrust has no responsibility to receive, vote, or otherwise advise on voting.

## **Item 18      Financial Information**

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