

# Lloyd Capital LLC

## Form ADV Part 2A Brochure



### Item 1 – Identifying Information

Lloyd Capital LLC

Weinbergstrasse 100

8802 Kilchberg

Switzerland

Tel: +41 44 533 22 30

[info@lloydcapital.ch](mailto:info@lloydcapital.ch)

CRD Number 158668

SEC File Number 801-72733

14 March 2023

This Brochure provides information about the qualifications and business practices of Lloyd Capital LLC. If you have questions about the contents of this brochure, please contact us at +41 533 22 00 or [info@lloydcapital.ch](mailto:info@lloydcapital.ch). The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any other securities authority.

Our registration as an investment adviser does not imply any approval by the SEC of us or our level of skill or training.

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

**This Brochure provides information for our clients who are U.S. persons as defined in Rule 902 of Regulation S under the U.S. Securities Act of 1933.**

### Item 2 – Summary of Material Changes

This Brochure provides information about the qualifications and business practices of Lloyd Capital LLC (“Lloyd Capital”). Since our last interim amendment filed on October 25, 2022, we have the following material changes to report:

- Our main telephone number has changed to +41 44 533 22 30.
- As of January 2023, Lloyd Capital is licensed as an asset manager by FINMA (Swiss Financial Market Supervisory Authority).
- As of December 31, 2022, our client regulatory assets under management total US \$353’867’515.
- The one-time account set up fee has been changed to CHF 5,000 for legal entity accounts.

Additional information about Lloyd Capital LLC 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

Lloyd Capital GmbH, trading as Lloyd Capital LLC ("Lloyd Capital"), founded in April 2011, is a Kilchberg, Switzerland-based adviser providing investment management services to high-net-worth individuals, legacy trusts and estates, corporations and business entities and investment structures. Lloyd Capital is a registered investment adviser registered with the U.S. Securities and Exchange Commission ("SEC"). Lloyd Capital is also licensed by FINMA (Swiss Financial Market Supervisory Authority) as an asset manager pursuant to Art. 2 para. 1 lit. a and Art. 5 para. 1 of the Federal Act of 15 June 2018 on Financial Institutions (Financial Institutions Act, FINIG; SR 954.1). Within the scope of this supervision, the financial institution is audited and reviewed by the audit firm FINcontrol Suisse AG in terms of supervisory law. Neither SEC registration nor FINMA license implies a certain level of skill or training.

#### Principal Owner

Lloyd Capital is wholly owned by Emerald Wealth Partners AG ("Emerald"), a Kilchberg, Switzerland-based firm.

#### Types of Investment Services

Lloyd Capital offers its services to clients ("Clients") who seek international diversification in terms of currency and geographic exposure, and highly liquid and easy-to-comprehend investments, mainly equities and bonds. Services are discretionary investment management, for individuals, trusts, corporations and business entities and investment structures who are "U.S. persons" as defined by the SEC.

Clients choose one or more of the following strategies offered by Lloyd Capital: Conservative; Balanced; and Concentrated Equity. Please see Item 8 – Methods of xAnalysis, Investment Strategies and Risk of Loss below for more detailed information regarding our investment practices.

Lloyd Capital conducts research and makes investment decisions for Client based on the strategy selected, taking into account Client restrictions and guidelines. Lloyd Capital does not select the custodians to hold Client cash and securities ("Assets").

As an investment manager, Lloyd Capital recognizes that all of our Clients are unique and that their investment needs may be different. As such, we may modify our primary investment strategies in an effort to accommodate the investment objectives and restrictions requested by a particular Client. At the commencement of the relationship, each of our Clients executes an investment management agreement ("IMA"), which sets forth their investment objectives, investment strategy and any restrictions that will be applicable to our management of the Assets in the Client's account. We review requested objectives and restrictions and work with the Client as needed to refine these objectives and restrictions to both meet the Client's needs and provide us with sufficient discretion to properly invest the Client's assets. IMAs are amended as required.

Client servicing will generally include the following steps:

- **Investment and Risk Profile.** Focus: Investor's short-term and long-term needs, familiarity with capital market history and expectations.
- **Agreed Objective.** Focus: Propose appropriate investment strategy to be constructed and managed.
- **Examine current and projected financial, economic and social conditions.** Focus: Short- and intermediate-term expected conditions to use to construct a portfolio.
- **Implement the plan by constructing the portfolio and trade the portfolio.** Focus: Meet the investor's needs at minimum risk levels.
- **Feedback loop.** Focus: Monitor/update investor needs, environmental conditions, evaluate portfolio performance.

Lloyd Capital's goal is to invest in publicly traded global equities and bonds, funds or ETFs. All portfolios are invested directly in highly liquid and easy-to-comprehend investments, mainly equities and bonds, but also non-U.S. commodities. Lloyd Capital believes in an actively managed approach, based on long-term fundamentals. Asset allocation is employed in order to help minimize risk and limit the volatility of Client portfolios. Clients long-term vision allows for short-term volatility.

### Tailored Relationships

Lloyd Capital tailors investment management services to the individual needs of the Client. The goals and objectives for each Client, as well as any restrictions, are documented in the IMA and amended from time to time.

Clients are allowed to impose restrictions on the investments in their account. Lloyd Capital will accept any reasonable limitation or restriction by the Client to the extent that these restrictions do not impair Lloyd Capital's ability to effectively manage an account.

### Wrap Fee Programs

Lloyd Capital does not sponsor or manage a Wrap Fee Program or manage Client assets via Wrap Fee programs.

### Client Assets

As of the December 31, 2022, our client regulatory assets under management ("AUM") total have US \$353'867'515.

## Item 5 – Fees and Compensation

### Compensation

Lloyd Capital's fee for investment management services varies based on the amount of AUM managed for a Client. Fees are a fixed per cent of AUM within a range of 0.3% to 0.7%. Additionally, Lloyd Capital offers performance-based fee arrangements for certain investment strategies.

Fees are negotiable within this range and depend upon Client factors, such as the size of the portfolio, family holdings, low-cost basis securities, anticipated future business or pre-existing relationships. Other factors include, but not be limited to, the type of portfolio, time involved, the degree of responsibility assumed, the complexity

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or simplicity of the engagement, special skills needed to address issues and knowledge of the Client's situation. As such, Clients pay different amounts.

### **Valuations and Fee Calculation and Payment**

Client assets are valued by the custodian.

Lloyd Capital calculates its fees using Assets valued by the custodian. This is a conflict of interest, and to address this our fee calculation methodology and the calculations are reviewed annually by our auditors.

The agreed fee is set forth in the IMA. Annual fees are paid on a quarterly basis in arrears, one-fourth of which is charged each quarter. The asset based used for calculation is an average of the month end Asset value for each of the months in the preceding quarter.

For accounts opened during a quarter, fees will be prorated to cover only that period which the account was managed by Lloyd Capital. Thereafter, the quarterly asset-based fee is based on the average AUM on the last business day of the previous three months. Client contributions or distributions are considered and reviewed on a case-by-case approach. Lloyd Capital does not require fees paid in advance.

Lloyd Capital will send the Client an invoice, detailing the amount of the fee. Information concerning the value of the Assets on which the fee was based and the fee calculation itself is provided upon request. The Client will instruct the Custodian to deduct the fee from its account and remit funds to Lloyd Capital. Upon termination of any account, any earned, unpaid fees will be due and payable. Lloyd Capital does not charge a termination fee.

Lloyd Capital reserves the right to charge a one-time account set up fee of CHF 1,500 for personal accounts and of CHF 5,000 for legal entity accounts.

### **Other Fees**

Clients incur charges imposed by custodians, brokers and other third parties utilized by Lloyd Capital to trade or assist Lloyd Capital as we manage Assets. These fees include the following: fees and commissions related to trade execution, fees charged by the Custodian, deferred sales charges on pooled investment vehicles, odd-lot differentials, transfer fees and taxes, wire transfer and electronic fund fees, safekeeping fees and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Lloyd Capital's fee, and Lloyd Capital shall not receive any portion of these commissions, fees and costs.

### **Termination of Agreement**

The IMA may be terminated at any time upon written notice by the Client or Lloyd Capital. Such termination shall not affect any transaction not yet completed at the time of the termination. The Client shall be responsible for investment management fees up to and including the effective date of termination. Lloyd Capital will refund any unearned, prepaid fees, if any.

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An IMA is non-transferable without the Client's prior written consent.

### **General Information on Compensation**

Lloyd Capital does not receive commissions or compensation for transactions in a Client account. As a fee-only advisor, Lloyd Capital is paid only on the investment management provided to Clients as discussed above. The same or similar portfolio management services are available from other investment advisers for a different fee.

### **Item 6 – Performance-based Fees and Side-by-Side Management**

Lloyd Capital offers performance-based fee arrangement for certain investment strategies. In these instances, the fee will be based on account performance instead of a percentage of assets under management for any particular measurement period, capped at a maximum of 1.8% of assets of under management.

Various fee structures inherently presents the potential for conflicts of interest (e.g., the Lloyd Capital may have an incentive to choose investments that are riskier or more speculative than might otherwise be chosen or to favor a client that pays performance-based fees over a client that pays fees as a percentage of assets under management). We have designed our processes regarding trade allocation and execution to help address these risks.

### **Item 7 – Types of Clients**

#### **Types of Clients**

Lloyd Capital provides services to certain types of Clients as indicated below, principally U.S. persons. The breakdown of each type of client and the allocation of assets are set forth in our Form ADV Part 1.

- Individual accounts.
- Trusts – entities set up by individuals to manage assets according to a stated mission or purpose.
- Corporations and Business Entities – taxable entities organized for a specific business purpose, investing cash reserves.
- Limited Partnerships – tax transparent investment structures for individuals.

#### **Account Minimum**

Lloyd Capital does not have a fixed minimum account size. However, Lloyd capital recommends a \$10,000,000 minimum investment in order to achieve proper diversification and strategy deployment. Accounts of less than \$10,000,000 will be reviewed and accepted on a case-by-case basis.

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

#### Methods of Analysis

Analysis includes fundamental analysis, technical analysis and charting and cyclical methodologies. The main sources of information used include third party research materials, corporate rating services, annual reports, prospectuses, financial newspapers and magazines and company press releases.

**Fundamental Analysis** – Generally, Lloyd Capital uses Fundamental Analysis and Research in making investment decisions with respect to investments in equities, options and fixed-income instruments. Fundamental Analysis is the process of looking at economic and business indicators as investment selection criteria. These criteria are usually ratios and trends that may indicate the overall strength and financial viability of the entity analyzed. Lloyd Capital considers macroeconomic factors as well as issue specific factors.

Macroeconomic factors considered by Lloyd Capital include, but are not limited to; general economic conditions, inflation trends, interest rates and the yield curve, market volatility and trends, and the monetary policies and legislative actions of certain countries.

Issue specific factors include but are not limited to earnings, cash flow, growth estimates and trends, management strength and stability and issuer credit rating.

**Technical Analysis and Charting** – Technical Analysis and Charting are used for analyzing various economic and market trends. These trends, both short- and long-term, are used for determining specific trade entry and exit points and broad economic analysis. These trends may include put/call ratios, pricing trends, moving averages, volume, and changes in volume, among many others. Indicators used by Lloyd Capital do not speak to the financial health of a particular issuer. Rather, indicators are used to gauge market sentiment regarding a given issue.

**Cyclical Investing** – Cyclical investing is an investing theory that certain companies/sectors tend to respond to economic conditions in predictable ways. Cyclical stocks are highly correlated with the market and general economic conditions. For example, if the economy is weak and consumers are not spending, cyclical stocks prices will tend to trend downward. As the economy moves through various conditions, so, too, will the cyclical companies. Some companies are known as counter-cyclical companies. These tend to move contrary to prevailing economic conditions. Lloyd Capital will analyze general market economic and market conditions, look for directional trends, and invest in companies expected to perform well under forecasted conditions. Sources of information that we may use include information from publicly available sources or purchased from third-party vendors.

#### Investment Strategies

All investment decisions by Lloyd Capital are based on a Client's profile and investment strategy to ensure that appropriate investments are made for the Client within its needs. The investment strategies used to achieve investment objectives include primarily long-term purchases (securities held for at least a year).



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As the cornerstone of the portfolio management process, Lloyd Capital together with the Client completes an Investment and Risk Profile ("Investment Profile") and Investment Parameters, which document investment objectives and restrictions. The Investment Profile is aligned with the proposed investment strategy to construct and manage the portfolio. This will be based upon one or more of the following strategies.

- **Conservative:** For Clients who seek to maintain capital in real terms.

Investment returns are mainly generated in the form of interest/dividend income. This strategy is for investors with below-average risk tolerance and looking for the minimum possible capital fluctuations.

- **Balanced:** For Clients who seek to maintain capital in real terms and achieve long-term capital gains.

Investment returns are mainly generated in the form of interest/dividend income as well as capital and foreign exchange gains. This strategy is for investors with an average risk tolerance and capacity for capital fluctuations.

- **Concentrated Equity:** For Clients who seek to generate long-term growth.

The objective of this portfolio is to deliver above average returns in the long run by investing in a concentrated selection of high quality and market leading international companies that satisfy a set of qualitative success factors associated with superior investment results and that are valued at a discount to fair value. The portfolio consists mainly of direct equity holdings that can be supplemented by ETFs and investment funds. This is for investors with above-average risk tolerance and capacity for greater capital fluctuations.

- **International:** For Clients looking for international diversification in terms of currency and geographic exposure. This mandate invests in non-U.S. equities and bonds.
- **Customized:** We offer this option for a portfolio that differs from the above strategies to cater to personalized strategies.

Lloyd Capital keeps records of all of this and monitors on a regular basis all activity to ensure that it is consistent with the Objective. There can be no assurance that a Client's investment objectives will be met, that Lloyd Capital's risk management will be successful, or that a Client will not suffer loss.

Lloyd Capital reserves the right to advise Clients on any type of investment that it deems appropriate based on the Client's stated goals and objectives. Lloyd Capital may also provide advice on any type of investment held in a Client's portfolio at the inception of the advisory relationship or on any investment on which the Client requests advice.

### Risk of Loss

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

All investment programs have risks that are borne by the investor. Our investment



approach constantly keeps the risk of loss in mind. Each Client receives the Swiss Banking Association (SBA) brochure "Risks Involved in Trading Financial Instruments". The list below details some of the risks investors may face when investing with Lloyd Capital. The factors below are not the only risks faced by investors, rather the risk factors determined by Lloyd Capital to have the greatest bearing on investment performance. Depending on the strategy employed, certain factors may be more prevalent than others in an investment portfolio.

- **Market Risk** - The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Interest-rate Risk** - Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Inflation Risk** - When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk** - Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk** - This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Liquidity Risk** - Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Option Risk** - Certain investment strategies offered by Lloyd Capital may make use of options. These options run the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of the underlying stock. This imbedded leverage in the option contract may compound gains and losses.
- **Equities** are an asset class suitable for clients with a tolerance for fluctuations in the market value of their investments. The market price of equity securities may be affected by international events or market factors such as economic or industry cycles or broad declines in stock market prices, or by conditions affecting specific issuers, such as changes in earnings forecasts. Multinational companies earn revenues and incur expenses in multiple currencies. Currency fluctuations affect a multinational company's financial performance and/or competitive position. Investing in companies with small- and medium-sized market capitalizations involves greater risk than investing in larger companies, and their share prices can fluctuate dramatically in a short period of time. Small and mid-cap companies may be more susceptible to setbacks or downturns than larger companies and may experience higher rates of bankruptcy or other failures. In addition, the shares of a small or mid-cap company may be thinly traded. Therefore, we aim to invest only in companies with a market capitalization of USD 5bn or more.

- **Emerging Markets:** The risks of foreign investments are greater in less developed countries, sometimes referred to as emerging or frontier markets. For example, political and economic structures in these countries may be less established and may change rapidly. These countries also are more likely to experience high levels of inflation, deflation, or currency devaluation, which can harm their economies and securities markets and increase volatility. Restrictions on currency trading imposed by emerging market countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries.
- **Non-U.S. securities and foreign currency exposure** foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. These factors can make foreign investments, especially those in emerging or frontier markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market. A substantial portion of securities in client accounts may be denominated in currencies other than the U.S. dollar and as we do not employ hedging techniques, the value of the account can be significantly affected by currency movements.
- **Currency exchange transactions** protect against uncertainty in the level of future exchange rates when merited and practicable. We place currency exchange transactions for a client account either on the spot (i.e., cash) basis at the rate prevailing in the currency exchange market, or through entering into forward contracts to purchase or sell currency. The use of forward currency contracts does not eliminate fluctuations in the underlying prices of the securities, but it does establish a rate of exchange that can be achieved in the future. Although forward currency contracts limit the risk of loss due to a decline in the value of the hedged currency, at the same time they also limit any potential gain that might result should the value of the currency increase.

### Item 9 – Disciplinary Information

Form ADV Part 2A requires registered investment advisers to disclose legal or disciplinary events involving the firm or our managed employees that are material to your evaluation of our business or integrity of our management. At this time, we have no information to report that is applicable to this item.

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

Emerald, our owner, is a Related Person. Employees of Lloyd Capital are also in parallel employed by Emerald. Remuneration and bonus arrangements are carefully considered to ensure that conflicts that arise through targets that inappropriately incentivize staff to behave in a manner that disadvantage the interests of a client in favor of us or of other clients are addressed. Emerald and Lloyd have a service level agreement in place covering certain shared services as well.

Other than Emerald, Lloyd Capital does not have affiliations with other financial

service firms. We work with non-affiliated service providers. All relationships are for contracted services only and no affiliation is created by way of these. We are not a broker, CTA or CPO, or an applicant for same.

### Item 11 – Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

#### **Code of Ethics**

Lloyd Capital has implemented a Code of Ethics (“Code”) that defines our fiduciary commitment to each Client. This Code applies to all persons associated with Lloyd Capital. Our Code was developed to provide ethical guidelines and specific instructions regarding our duties to our Clients. Lloyd Capital and its personnel owe a duty of loyalty, fairness and good faith towards our Clients. Lloyd Capital and its associates adhere to the specific provisions of the Code and the general principles that guide the Code. The Code covers a range of topics that may include ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV and supervisory procedures.

Lloyd Capital employees must acknowledge the terms of the Code at least annually. Any individual not in compliance with the Code of Ethics may be subject to discipline up to and including termination.

Clients and prospective Clients may obtain a copy of the Code by contacting us at +41 79 966 80 81 or [info@lloydcapital.ch](mailto:info@lloydcapital.ch).

#### **Participation or Interest in Client Transactions**

Lloyd Capital and its employees do not recommend to Clients, or buy or sell for Client accounts, securities in which they have a material financial interest.

Lloyd Capital does not engage in any principal transactions for itself or with a Client. Principal transactions are defined as transactions where an adviser, acting as principal for its own account or the account of an affiliate, buys from or sells any security to any advisory Client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated fund or position and another Client account.

#### **Personal Securities Transactions**

Lloyd Capital employees may buy or sell securities for their own accounts but may not buy securities identical to those recommended to or held by Clients without prior clearance and subject to compliance with controls. The Code, described above, is designed to ensure that the personal securities transactions, activities and interests of the employees of Lloyd Capital will not interfere with (i) making decisions in the best interests of advisory Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not interfere with the best interest of Lloyd Capital’s

Clients. In addition, the Code requires pre-clearance of many transactions. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Pre-clearance is designed to prevent “front-running” and “trading with” Clients. Employee trading is monitored under the Code, and to prevent conflicts of interest between Lloyd Capital and its Clients.

In order to monitor compliance by our personnel with the Code and applicable law, each employee is required to provide Lloyd Capital with copies of their quarterly securities account statements, which are reviewed by an officer of Lloyd Capital. In addition, each officer and employee is required to sign a statement to acknowledge that they 1) understand what insider trading is, and that they will not be party to it and 2) will adhere to the Code.

### Item 12 – Brokerage Practices

#### Trading Practices

Lloyd Capital does not receive Client referrals from brokers.

Lloyd Capital does not engage in directed brokerage.

Lloyd Capital does not solicit or accept orders from U.S. Clients to buy or sell securities.

As a fiduciary, Lloyd Capital has a duty of best execution, which is seeking the best price available for a transaction considering various factors. We do not select brokers or counterparties with which to effect Client transactions. Lloyd Capital places orders with the trading desk of a custodian bank for it to execute. We require that trading desk provides us with best execution, related policies and procedures and the analysis and data that they have used to validate whether they have received best execution.

#### Trade Aggregation

Lloyd Capital may aggregate orders by custodians to help achieve best execution and reduce commission rates or other transaction costs. When doing this, splits are allocated and recorded prior to placing the order for all pre-trade allocated accounts. Pre-trade allocation is done solely based on the client’s Investment Profile. In the event of a partial fill, we allocate pro rata reflecting the original pre-trade allocation, adjusted only by considering the following factors: cash, then current investment exposure and other documented considerations. Due to the complexity and variations of the investment guidelines among different accounts, we may adjust, post-trade, the pre-trade allocations, as pre-determined by the allocation factors mentioned above. Any post-trade adjustment will be documented and require prior written approval.

Lloyd Capital’s allocation procedure seeks to be fair and equitable to all Clients with no particular group or Client(s) being favored or disfavored over any other.

#### Trade Errors

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We identify and address trade errors as soon as practicable after they are discovered. If a trade error arises, we will ensure that no client suffers a loss. We document trade errors and act, where possible, to prevent such errors in the future. Clients receive gains. We incur losses. We do not net gains against losses. If the trading desk of the custodian makes the trade error, it is responsible for making the client whole.

### **Research and Other Soft Dollar Benefits**

Lloyd Capital generates its own research, as well as utilizing the research provided by Emerald. Lloyd Capital does not purchase additional third party research with its own funds. Lloyd Capital does not have any "soft dollar" relationships under Section 28(e) of the U.S. Securities Exchange Act of 1934. Lloyd Capital does not accept or offer inducements (fees, commissions or monetary and non-monetary benefits) in relation to the provision of services.

## **Item 13 – Review of Accounts**

### **Reviews**

Accounts are actively monitored on a continuous basis and reviewed at least annually help ensure, inter alia, that trading is consistent with Client investment objectives and restrictions. Additional reviews may also be triggered by market events, political changes, changes in the economy, or changes in interest rate.

Reviews could also occur at the time of new deposits, material changes in Client's financial information, changes in economic cycles, market, political or economic conditions, changes in tax laws or new investment information, at Lloyd Capital's discretion, or as often as the Client may direct.

Lloyd Capital encourages frequent Client contact. Clients are obligated to promptly notify us of any changes in the Client's financial status to ensure that investment strategies continue to meet their changing needs.

### **Reporting**

Clients will receive quarterly statements from Custodians which include account activity, beginning and ending balances and current values. In addition, the Custodian provides Lloyd Capital with trade confirmations for each position bought and sold.

Client meetings are encouraged and are scheduled quarterly or less frequently as specific situations dictate. Supplemental written reports, with more detailed information including investment performance, may be provided to Clients upon request.

### Item 14 – Client Referrals and Other Compensation

#### Other Compensation

Lloyd Capital does not receive any formal economic benefits (other than normal compensation) from any firm or individual for providing investment advice. We are compensated exclusively by our Clients.

#### Client Referrals

Lloyd Capital does not have any agreements with a solicitor to identify and refer U.S. resident prospects.

### Item 15 – Custody

#### Custody

Lloyd Capital does not have custody of Client assets.

#### Custody – Account Statements

Clients receive at least quarterly statements from the Custodian that holds and maintains Client's investment assets indicating all amounts disbursed from the account including the amount of advisory fees paid directly to Lloyd Capital. Clients are urged to carefully review such statements and compare such official custodial records to other reports that Lloyd Capital may provide.

### Item 16 – Investment Discretion

Through the investment management agreement, Lloyd Capital may accept limited power of attorney to act on a discretionary basis on behalf of Clients. A limited power of attorney allows Lloyd Capital to execute trades on behalf of Clients. Lloyd Capital has the authority to determine, without obtaining specific Client consent, both the amount and type of securities to be bought to satisfy Client account objectives. Additionally, Lloyd Capital may accept any reasonable limitation or restriction to such authority on the account placed by the Client. All limitations and restrictions placed on accounts must be presented to Lloyd Capital in writing.

### Item 17 – Voting Client Securities

We do not vote proxies. Clients must arrange with their custodian to vote proxies.

### Item 18 – Financial Information

Lloyd Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding. Lloyd Capital is not required to provide a balance sheet. Lloyd Capital does not require prepayment of fees.