



**Part 2A of Form ADV: Firm Brochure**

**Item 1 - Cover Page**

**LESTE USA, LLC**

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March 31<sup>st</sup>, 2023

This brochure provides information about the qualifications and business practices of Leste Capital Partners (Florida), LLC ("LCP") and its relying advisers Leste Credit US (IA) LLC ("LC US") and Leste Real Estate US (IA) LLC ("LRE US", and together with LCP and LC US, each an "Adviser" and collectively, the "Advisers" or the "Firm"). If you have any questions about the contents of this Brochure, please contact us at [compliance@lesite.com](mailto:compliance@lesite.com). The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the "SEC") or by any state securities authority.

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

Any reference to the Firm as a "registered investment adviser" or as being "registered," does not imply a certain level of skill or training.

**Item 2 - Material Changes**

The Firm is required to file an annual updating amendment to its Form ADV within 90 days of the end of the Adviser's fiscal year. On March 1<sup>st</sup>, 2023, the Firm replaced the Chief of Compliance Officer, Mr. Roberto Brito, by Mr. Joseph Reigadas. Since that last update, there are no other material changes to be reported in accordance with the instructions to Form ADV.

However, please note that this brochure has been updated in its entirety and this version may differ from the last version we filled. For your convenience, please contact us at [compliance@leste.com](mailto:compliance@leste.com) if you'd like to receive a comparison version between this brochure and the last version updated on March 31<sup>st</sup>, 2022.

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**Item 4 - Advisory Business**

Leste USA, LLC ("Leste USA" or "Adviser", "Firm", "we" or "us") is a Delaware limited liability company doing business in Miami, Florida, fully owned by Leste Holding, LLC, a holding company also organized as a Delaware limited liability company that, in turn, is wholly owned by Mr. Emmanuel Rose Hermann. Leste USA commenced its business operations in 2019.

Leste USA is also registered as a FINRA Member broker-dealer and has other United States advisory affiliated entities in common control within Leste Group. Leste USA holds 50% of Leste Capital Partners (Florida), LLC together with Mr. Stephan de Sabrit. For more information about Leste Capital Partners (Florida), LLC, please see such company's brochure at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

As of the date of this brochure, Leste USA only manages portfolios to an investment vehicle ultimately beneficially owned by Mr. Hermann's family members ("Client"). The relationship with Client is governed by the investment restrictions and guidelines contained in the vehicle's respective offering document.

Its primary business focus for the advisory services it provides presently covers 2 strategies of Leste Group in its related investment vehicles: Leste Global Investments and Leste Global Ventures.

Leste Global Investments line of business pursues multi-manager liquid strategies such as event-driven, corporate fundamentals and credit trading, FX, stock indices, sovereign credit, quantitative trading and opportunistic trading.

Leste Global Ventures line of business identifies and implements investment opportunities related to the venture capital investments in privately held companies in the United States and Brazil that are not publicly traded.

In the future, we may provide discretionary and/or non-discretionary investment advice to other private investment funds and/or separately managed accounts (collectively with the Client, "Clients").

As of December 31, 2022, we managed approximately \$ 172M in regulatory assets under management on a discretionary basis. Currently, we do not manage any assets on a non-discretionary basis.

**Item 5 - Fees and Compensation**

The extent to and specific manner in which our clients are responsible for fees, performance-based compensation and/or expenses are set forth in each client's applicable written agreement with us.

We deduct management fees monthly from the Client and receive performance-based fees or allocations from the Client on an annual basis based on realized gains and independently of capital distribution.

The Client generally bears all costs and expenses associated with their operations, including, without limitation: (i) all expenses associated with the organization and ongoing administration of Client, including legal and accounting fees; (ii) all expenses incurred in connection with communications with investors and the ongoing offer and sale of interests of Client; (iii) all third-party administration, accounting, tax preparation, audit, bookkeeping, governmental fees and taxes and legal and compliance fees and expenses of, or relating to, the Client; (iv) all expenses incurred for the benefit of the Client related to the maintenance and procurement of information technology and data related services, systems and equipment, valuation services, proxy voting services and insurance; (v) all direct and incidental expenses relating to research and due diligence of existing and potential investments (including, without limitation, the use of consultants and attorneys) and research materials; and (vi) all trading and investment related costs and expenses (e.g., brokerage commissions, margin interest, expenses related to short sales, custodial fees, clearing and settlement charges and other transaction costs, as applicable).

We may allocate a portion of Client's capital to money market funds, exchange-traded funds or similar fee-bearing products, or private investment funds and accounts, that are managed by affiliated or unaffiliated investment managers. In that case, such client accounts generally would be responsible for paying any and all fees, performance-based compensation and expenses associated with such products, which would be in addition to those discussed above.

The Adviser and their personnel generally can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of clients and client portfolio investments, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as a client expense typically result in cash rebates, "miles," "points" or credit in loyalty/status programs, and such benefits and/or amounts will exclusively benefit the Advisers and/or such personnel even though the cost of the underlying service is borne by clients. The value of such benefits and perquisites will neither be subject to an offset against fees or expenses payable by clients nor will they otherwise be shared with clients and/or portfolio investments.

For a summary of our brokerage practices, see Item 12 below.

**Item 6 - Performance-Based Fees and Side-By-Side Management**

In addition to the management fees described in item 5 above, we are entitled to receive performance-based compensation (which is based on a percentage of the capital appreciation of client assets or the return on invested capital) from the Client. Performance-based compensation may take the form of a performance allocation, performance fee, carried interest or other payment, and typically is subject to a high-water mark, a hurdle or a preferred return. Client is provided with detailed disclosure in the applicable document as to how the relevant performance-based compensation is calculated and charged. Performance-based compensation will conform to Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), to the extent applicable.

Management fees and performance-based compensation are based on the net asset value of Client's accounts. In making valuation determinations, we may be deemed subject to a conflict of interest, especially with respect to securities or other financial instruments which are not traded on an organized or liquid market, as the valuation of such assets and liabilities affects our compensation and the compensation of our affiliates. There is no guarantee that the value determined with respect to a particular client asset or liability by us will represent the value that will be realized by such client on the eventual disposition of the related investment or that would, in fact, be realized upon an immediate disposition of the investment, and the difference between such value and the ultimate disposition price could be material. To the extent we are responsible for valuing a client's assets, we will follow our documented valuation policies in order to mitigate these risks.

Since the amount of fees paid/allocations made to us is dependent in part on the profitability of the applicable client, we may have an incentive to cause clients to make investments that are riskier or more speculative than would be the case if such fees/allocations were not dependent on clients' net asset value and profitability. We recognize that we have a fiduciary duty and as such must act in the best interests of our clients.

Clients are urged to review their applicable investment management agreements and/or vehicles' Documents for information regarding the specific fees, performance-based compensation and expenses applicable to them.

**Item 7 - Types of Clients**

We currently provide investment advice only to the Client who is an offshore fund ultimately beneficially owned by Mr. Hermann's family members.

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

The development of our investment strategies is an ongoing process. The techniques and methods described herein will therefore be modified by and over time. Depending on conditions and trends in securities markets and the economy generally, we may pursue other objectives, or employ other strategies, techniques, methods or processes, that we consider appropriate and in the best interest of our clients, without notice to them or their consent, except to the extent that our written agreement with a client may provide otherwise.

The description of our investment strategies, techniques, methods and processes described in Item 4 – “Advisory Business” and this Item 8 is intended only as a general overview and is subject to the specific terms of our written agreements with our Client.

**Risk of Loss**

A brief summary of the material risks involved with our significant investment strategies and methods of analysis follows. The list below of material risks factors is not intended to be an exhaustive listing of all potential risks associated with such an investment. Investors are urged to review the written agreement applicable to their investment for additional information concerning the risks applicable to them. Investing in securities involves risk of loss that clients and investors should be prepared to bear.

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security 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.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its



income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value. The above risks are not meant to represent all risks associated with investing, and investments typically carry the potential for a loss of your total investment. Please discuss the risks associated with investing with your IAR to ensure you are comfortable with the level of risks in your portfolio.

**Item 9 - Disciplinary Information**

There are no legal or disciplinary events that would be material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

**Item 10 - Other Financial Industry Activities and Affiliations**Broker Dealer in Private Placements

Leste USA was approved for membership in 2021 with the Financial Industry Regulatory Authority (“FINRA”) for Private Placements. As such, the Firm will seek to train and hire Associated Persons, duly registered to carry out brokerage business as an additional service to its Institutional clients and High Net Worth Individuals. To ensure the Firm meets its obligations in disclosures to its clients, the Firm is required to provide a Client Relationship Summary (“CRS Brochure”) to both inform and educate its clients about the different ways that it can provide services to its clients. Please refer to this additional CRS brochure when contemplating a relationship with Leste USA.

Other Affiliates

The Firm’s other advisory affiliates, as of the date of this Brochure, are:

In the United States of America:

(i) Leste Capital Partners (Florida), LLC and its relying advisors, Leste Credit US (IA), LLC and Leste Real Estate US (IA), LLC, are all Delaware limited liability company and SEC registered Investment Adviser.

(ii) Aliya Capital Partners, LLC a Delaware limited liability company and SEC registered Investment Adviser. Aliya Capital Partners, LLC is a joint venture (50/50%) between Mr. Hermann and Mr. Ross Menachen Kesting. Aliya Capital Partners, LLC conducts activities from the same office location as the Advisers, and, as such, share certain common facilities, infrastructure and some vendors. There are one employee of Aliya Capital Partners, LLC that is also a registered representative of Leste USA broker dealer.

In Offshore Sites

(i) Leste Financial Services Gestão de Recursos Ltda. (“**LFS**”), a *sociedade limitada* organized under the laws of Brazil. LFS is registered as an investment adviser with CVM.

(ii) Leste Private Equity Gestão de Recursos Ltda. (“**Leste Private Equity Brazil**”), a *sociedade limitada* organized under the laws of Brazil. Leste Private Equity Brazil is registered as an investment adviser with CVM.

(iii) Leste Credit Gestão de Recursos Ltda. (“**Leste Credit Brazil**”), a *sociedade limitada* organized under the laws of Brazil. Leste Credit Brazil is registered as an investment adviser with CVM.

(iv) Prisma Real Estate Gestão de Recursos Ltda., a *sociedade limitada* organized under the laws of Brazil. LFS is registered as an investment adviser with CVM.

(i) Leste Capital Management UK LLP ("**Leste UK**"), a limited liability partnership organized under the laws of the United Kingdom. Leste UK is authorized to act as an investment adviser by the Financial Conduct Authority.

Each of the foregoing Leste entities relies on an exemption from registration as an investment adviser with the SEC pursuant to the foreign private adviser exemption of Section 203(b)(3) of the Advisers Act.

**Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

We have adopted a Code of Ethics (the "Code of Ethics") which provides that we are committed to conducting our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, we recognize that we have a fiduciary duty to our clients, and that we must conduct our business in a manner that enables us to fulfill this fiduciary duty. In this regard, we have developed policies and procedures in our Code of Ethics that are premised on fundamental principles of openness, integrity, honesty and trust. In addition, among other things, our Code of Ethics governs all personal investment transactions by our employees, our policies with respect to gifts and entertainment, compliance with applicable federal securities laws, the manner in which violations of our Code of Ethics are to be reported, and certain other outside activities of our employees. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Under our Code of Ethics, we place certain restrictions on the personal trading activities of our employees and their immediate family members. For example, our employees may participate in initial public offerings and limited offerings, such as hedge funds, private equity funds or other types of private offerings, subject to pre-clearance procedures. In addition, it is possible that our employees may invest in the same securities (or related securities, such as warrants, options or futures) that we recommend to clients. As a result of differing trading and investment strategies or constraints, positions taken by our employees can be the same as or different from, or made contemporaneously or at different times than, positions taken for our clients. As these situations involve potential conflicts of interest, our Code of Ethics is intended to identify and prevent actual conflicts of interest with clients and to resolve such conflicts appropriately if they do occur. For example, our employees are required to disclose their personal securities holdings on an initial and annual basis, and their personal securities transactions quarterly, which requirements are designed to address potential conflicts of interest that might interfere or appear to interfere with making decisions in the best interest of our clients.

In the event that we effect a cross trade between an account in which we or our principal owns more than twenty five percent (25%) and a client account, such transaction may be deemed to be a principal transaction under the Advisers Act. Such transactions would create a conflict of interest for us because we may put our or our principal's interests in such accounts before the interests of our client in the other account. We will not liquidate any cross trades between accounts if we believe that such trade would result in a principal transaction, unless:

- (i) We believe that such transaction is in the best interest of the clients participating in the transaction; and
- (ii) We obtain the consent of the applicable clients to the extent required under the Advisers Act.

We may buy or sell securities for one client while we or our related persons buy or sell the same security for one or more other clients (including Funds which are our related

persons). This will typically happen when more than one client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. This may create a conflict of interest if one account may benefit from making the trade before or after the other account. We will generally seek to aggregate trades, as described below in Item 12 under "Aggregation of Orders," to avoid any such conflict of interest.

**Item 12 - Brokerage Practices**

Below we describe the applicable practices when applicable. Additionally, because we are also a broker dealer, as described in item 10 above, we may in the future be involved with certain limited private offerings related to our Client. Proper disclosures will be made to Client when applicable.

Selection of Brokers

In placing portfolio transactions for our clients, we seek to obtain the best execution for clients' accounts, taking into account the following factors (without limitation): the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the firm's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying our selection criteria.

We have adopted policies and procedures intended to seek best execution on an ongoing basis for securities transactions, based upon the aforementioned factors. We periodically evaluate the execution performance of the broker-dealers we use to execute client transactions. We also evaluate, and seek to resolve, any conflicts of interest that we may have in selecting brokers to execute client transactions.

Research and Other Soft Dollar Benefits

We currently do not have any soft dollar arrangements in place that would commit our clients to any implied or explicit level of trading, but we may in the future. In the event that we may direct client transactions to a particular broker-dealer in return for soft dollar benefits, we will generally follow the same practices described above when selecting such broker-dealer.

However, we execute securities transactions on behalf of client accounts with broker-dealers that provide us with bundles products or services, such as access to proprietary research reports (such as standard investment research and credit reports). To our knowledge, these products or services are generally made available to all institutional investors doing business with such broker-dealers. These bundled services are made available to us on an unsolicited basis and without regard to the rates of commissions charged or paid by client accounts or the volume of business that we direct to such broker-dealers.

In the event that we will engage in soft dollar transactions in the future, we intend to comply with the safe harbor requirements of Section 28(e) of the Securities Exchange Act of 1934, as amended.

Brokerage for Client Referrals

Subject to applicable law, we may direct some client brokerage business to brokers who refer prospective investors to the private investment funds we manage, consistent with best execution. Because such referrals, if any, are likely to benefit us but will provide an insignificant (if any) benefit to our clients, we have a conflict of interest with our clients when allocating client brokerage business to a broker who has referred investors to us. To prevent client brokerage commissions from being used to pay investor referral fees, we will not allocate client brokerage business to a referring broker unless we determine in good faith that the commissions payable to such broker are not materially higher than those available from non-referring brokers offering services of substantially equal value to the client account.

#### Trade Errors

Subject to applicable law and the terms of our written agreements with clients, our clients will (i) be responsible for any losses resulting from trading errors and similar human errors, absent our willful misconduct or gross negligence, which, for the avoidance of doubt, will not include errors in judgment or mistakes made in good faith, in the performance of our obligations and duties (or those of our affiliates or personnel) in respect of our clients, and (ii) receive the gain from such trading errors, as the case may be.

We face a potential conflict of interest because, should a trade error occur, generally we (and not an independent third party) would be the party that determines whether such trade error resulted from our willful misconduct or gross negligence. However, notwithstanding this potential conflict of interest, in all cases, we would make such determination in good faith.

We may correct misallocations of trades among client accounts by re-allocating the applicable trade using the intended allocation methodology prior to the trade's settlement date. If an erroneous allocation cannot be corrected prior to or after settlement, we may, if appropriate and subject to applicable law, correct such erroneous allocation by liquidating a cross trade between client accounts at the price at which the initial trade was executed.

#### Aggregation of Orders

We will generally aggregate client trades, subject to best execution. Aggregation opportunities for us generally arise when more than one client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. In such event, securities purchased or sold will generally be allocated among client accounts on an average price basis. When an aggregated order is only partially filled, we will allocate the investment opportunity as described above in Item 6.

Clients may pay more to the extent that we do not, or are unable to, aggregate trades, as seeking to place separate, non-simultaneous transactions in the same security for multiple clients may negatively affect market price, transaction commissions and/or trade execution. A client's nonparticipation in bunched trades may result in lost opportunities to purchase securities for such client's account that other clients participating in bunched trades were able to purchase.



**Item 13 - Review of Accounts**

Client accounts are typically reviewed by back office personnel on a daily basis for conformity to the objectives and risk criteria applicable to such accounts, and compliance with any applicable investment guidelines and restrictions.

Client generally will receive a monthly account statement and audited financial statements on an annual basis.

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

Other than as described above in Item 12, we do not receive any economic benefits from non-clients in connection with the provision of investment advice or other advisory services to our clients.

If a client is introduced to us by a third-party placement agent, we and/or our affiliates may pay that placement agent a referral fee in accordance with the requirements of Rule 206(4)-1 under the Advisers Act to the extent applicable. Any such referral fee will be paid solely by us or our affiliates and will not result in any additional charge to the client unless the client agrees otherwise in its applicable written agreement with us. Placement agents are subject to a conflict of interest because they will be compensated in connection with their solicitation activities. This conflict applies as well to nominees that are compensated in connection with the investment of their clients' assets with us or in the private investment funds that we manage.

**Item 15 - Custody**

Although we believe the independent verification and account statement delivery provisions of clauses (a)(2), (a)(3) and (a)(4) of the Rule 206(4)-2 under the Advisers Act (the “Custody Rule”) do not apply to our Client, in view with the SEC no-action letter, 16th Amendment Advisors LLC, March 23, 2015, IM Ref. No. 801-70324, the Client funds and securities related to Leste Global Investments strategy are maintained by qualified custodians who send account statements to the Client periodically. Furthermore, it is Advisers’ policy to cause the Client’s investment vehicle under management to be audited annually by a PCAOB-registered independent accounting firm and to distribute audited financial statements prepared in accordance with U.S. generally accepted accounting principles to.

**Item 16 - Investment Discretion**

We have discretionary authority to manage securities accounts on behalf of our Client.

**Item 17 - Voting Client Securities**

We have the authority to vote proxies on behalf of Client. We are subject to proxy voting policies and procedures that are designed to ensure that in cases where we vote proxies with respect to client securities, such proxies are voted in the best interests of such client, and that any material conflict of interest between our interests and the interests of our client will be resolved in a manner that is consistent with the best interests of client and in a manner not affected by such conflict of interest.

**Item 18 - Financial Information**

Currently, there is no financial condition that is reasonably likely to impair our ability to meet contractual commitments to our client.

**Item 19 - Requirements for State-Registered Advisers**

Not applicable.