

# **COMPASS GROUP INVESTMENTS SOLUTIONS LLC**

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

<https://cgcompass.com/en/miami/>

March 31, 2023

This brochure provides information about the qualifications and business practices of Compass Group Investments Solutions LLC (“Compass” or the “Adviser”). If you have any questions about the contents of this brochure, please contact us at the telephone number above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”), or by any state securities authority. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Compass Group Investments Solutions LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Item 2: Material Changes**

The Adviser does not consider any of the information in this version of the brochure to represent a material change from the information contained in its most recent version dated March 31, 2022.

Our current and potential investors are encouraged to read this brochure, as well as all of the governing documents applicable to their current or prospective investments, in their entirety.

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## **Item 4. Advisory Business**

### Firm Description

The Adviser provides advice to client accounts based on the client's specific investment objectives, strategies, restrictions and risk profiles set forth in each client agreement.

### Principal Owners of Compass

Compass Group Investments Solutions LLC ("Compass" or the "Adviser" or "our firm"), a Delaware limited liability company, is an investment advisory firm with its principal place of business in Miami, Florida. The Adviser was founded in August 2019 and is wholly owned by its sole member, Compass Group Holdings Inc. (the "Parent Company"). Compass Group Asset Management Holding SL, a Spanish Sociedad de Responsabilidad Limitada, is the sole owner of the Parent Company.

### Types of Services

Compass provides advisory services on a discretionary and non-discretionary basis, and also provides consolidated portfolio reporting services ("Reporting Services"), to individuals, private investment vehicles, family offices, trusts and other entities (the "Client(s)").

Discretionary Advisory: The Adviser defines investment objectives and seeks to understand the client's needs and risk profile; investment decisions are made accordingly. Compass will manage the portfolio, asset allocation, manager selection, and risk, following the guidelines and objectives determined by the Client. Compass has approximately \$298,098,088 in regulatory assets under management on a discretionary basis as of December 31, 2022.

Non-discretionary Advisory: Compass does not have the authority to make investment decisions for our Clients. Compass gives information, advice and recommendations to the Client(s), but the authority and ultimate responsibility for investment decisions; including securities trades, asset allocation, and manager selection, relies on the client. Compass has approximately \$35,577,488 in regulatory assets under management on a non-discretionary basis as of December 31, 2022.

As of December 31, 2022, the Adviser had approximately \$333,675,576 in regulatory assets under management.

### Reporting Services

Compass offers Clients an integrated overview of their assets held at different custodians. In addition to reporting on Clients' financial assets, upon request, Compass will provide a consolidated account report which may include information regarding non-financial assets (e.g. real assets). In such instances, Compass relies on the Client to provide current and accurate pricing or other valuation information. Compass does not independently verify, and expressly disclaims responsibility for, the accuracy of any asset values (including any portfolio performance information) Clients or their custodians provide for any consolidated account report.

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

### Investment Advisory Services (Discretionary and Non-Discretionary):

Investment advisory fees are charged as agreed upon in each Client's investment advisory agreement. Fees

are generally charged quarterly in arrears, as described in each Client's investment advisory agreement. Fees charged are based on the daily net assets in the Client account, and taking into account the fraction of the fee percentage corresponding to one day in the quarter, which net assets include, net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest.

For Clients participating in the Adviser's non-discretionary "alternative investment program," the fee is based on the value of each alternative asset invested in, in accordance with the valuation provided by each alternative investment, during the preceding calendar quarter and will be pro-rated for any partial quarter.

Compass, in its sole discretion, may waive or modify fees for certain Clients that are members, employees or affiliates of the Adviser, relatives of such persons, and for certain large, strategic or other investors. Generally, for its investment advisory services, the Adviser charges a maximum annual fee of 2.0% of the client's assets under management, quarterly in arrears. These fees are negotiable.

#### Reporting Services:

Reporting Services fees are negotiated and determined based on factors including, but not limited to: total assets, complexity of the Client's financial affairs, and number of custodians. Clients using such services may be charged a flat fee or fee based on a percentage of the client's reported assets. These fees can reach up to 40 bps (.40%) of reported assets and are expected to be charged quarterly in arrears, as defined in each agreement. Similar to investment advisory fees, if a Client account is terminated or established other than at the beginning or end of a quarter, such fees will be calculated accordingly.

#### Payment of Fees:

The procedure for payment of fees is set forth in each Client agreement. Generally, the Adviser does not directly deduct the investment management fee from client accounts. Rather, the Adviser invoices Clients or their respective custodians for payment of such fees. Alternatively, a Client may authorize their custodian to automatically deduct fees from its account, upon receipt of an invoice from the Adviser.

#### Other Fees and Expenses:

In addition to investment advisory fees and, if applicable, other fees set forth in a Client agreement, Client accounts will also be subject to investment expenses, which are not paid to the adviser, and which may include: custodial charges, brokerage fees, commissions and related costs, transaction fees, interest expenses, taxes, duties and other governmental charges, transfer and registration fees or similar expenses, costs associated with foreign exchange transactions, other portfolio expenses, and costs, expenses and fees (including investment advisory and other fees charged by investment advisers with, or funds in, which the Client's account invests) associated with products or services that may be necessary or incidental to such investments or accounts. Client assets may be invested in money market funds, mutual funds, ETFs, other registered investment companies or other pooled investment vehicles, in these cases, any other expenses incurred will be borne by the Client, which are in addition to the investment advisory fee paid to the Adviser. Please refer to each Client's respective agreement for further information and important details related to such fees.

#### Additional Compensation and Conflicts of Interest:

The Adviser or its supervised persons receive compensation indirectly in connection with the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds (e.g., where the Adviser has an affiliated broker-dealer and the affiliated broker-dealer receives commissions or other compensation in connection with the sale of the securities or other investment products), such additional compensation creates a conflict of interest because the Adviser or its supervised

person have an incentive to recommend these securities or other investment products based on the compensation received, rather than on a Client's needs. To the extent the Adviser engages in such practices, such conflicts are fully disclosed to any affected Clients in their agreement with the Adviser.

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

The Adviser does not anticipate charging Performance-Based Fees.

The Adviser and its investment personnel provide investment advisory services to multiple portfolios for multiple Clients. Certain Client accounts may have higher asset-based fees or more favorable compensation arrangements than other accounts. When the Adviser and its investment personnel advise more than one Client account, a potential exists for one Client account to be favored over another. The Adviser and its investment personnel have a greater incentive to favor client accounts that pay the Adviser higher fees.

To mitigate this, the Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the advisory of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. The Adviser reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. The performance of similarly advised accounts are regularly compared to determine whether there are any significant discrepancies. In addition, the Adviser's procedures relating to the allocation of investment opportunities require that similarly managed accounts participate in investment opportunities pro rata, based on asset size and other factors such as investments guidelines or restrictions prescribed by the Client and require that, to the extent orders are aggregated, the Client orders are price-averaged. Finally, the Adviser's procedures also require the objective allocation for limited opportunities (such as initial public offerings and private placements) to ensure fair and equitable allocation among accounts. These areas are monitored by the Adviser's chief compliance officer ("Chief Compliance Officer" or "CCO").

#### **Item 7. Types of Clients**

The Adviser provides advisory services to individuals, high net worth individuals, corporations, trusts, family offices, and other types of entities.

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

The descriptions set forth in this brochure of specific advisory services that our firm offers to our Clients, investment strategies pursued, and investments made by our firm on behalf of our Clients, should not be understood to limit in any way our firm's investment activities. Our firm may offer any advisory service, engage in any investment strategy and make any investment, including any not described in this brochure, that we consider appropriate, subject to each Client's investment objectives and guidelines.

##### ***Methods of Analysis and Investment Strategies***

The Adviser has arrangements with affiliated and unaffiliated service providers through which the Adviser receives general macroeconomic analyses of certain currencies, markets, and market sectors. These service providers also provide due diligence on other investment advisers which the Adviser may recommend to its Clients, research reports on specific securities, sample asset allocations and administrative services. The Adviser uses such information and services as a tool. Furthermore, the Adviser performs its own research and due diligence on advisers and investment opportunities. The Adviser makes investment allocation decisions based on each client's investment objectives, strategy, and risk profile, among other factors. The Adviser identifies, structures, monitors, invests, and liquidates investments in discretionary accounts. The design and day-to-day management of client portfolios is determined by each investment adviser

representative. Such service providers do not have access to or knowledge of information concerning the specific investment decisions and recommendations made to the Adviser's Clients.

Compass seeks asset preservation and capital appreciation of Client's portfolios by customizing asset allocations and selecting investment vehicles that it believes will align risk / return expectations with long term and short-term investment needs and goals. The asset class allocations, forecasts and expectations are analyzed and invested in various financial instruments, including, equity, fixed income, commodities, real estate investment trusts ("REITs"), and alternative investments, among others. The Adviser will select and monitor the investment vehicles for each asset class in the portfolios based on their history and prospective risk and return characteristics, and determine suitability for each client's needs, as well as, estimated fees and expense.

The Adviser offers a dedicated "alternative investment program", where Compass analyzes potential alternative investments, makes investment recommendations, assists Clients entering into such investments and provides relevant reporting to Clients.

Depending on the Clients stated needs and investment objectives, the Adviser generally employs, but is not limited to, any or a combination of the following investment strategies:

Fixed Income. The Adviser's fixed income strategy focuses on a broad range of fixed income investment styles aiming to achieve income, with the opportunity for capital gains, from diversified portfolios of fixed and floating rate securities issued by domestic and foreign corporations and governments, with various degrees of maturity, credit ratings and liquidity.

Equity. The Adviser's equity strategy focuses on a broad range of equity investment styles, including growth, core, and value, as well as portfolios designed to be "style-neutral". Some client accounts may focus on specific ranges on the capitalization scale, from micro-cap, through small-cap, mid-cap and large-cap, to mega-cap. Other Client accounts will focus on investment opportunities in more than one capitalization category or across all capitalization levels.

Fundamental Value. The Adviser may engage in a fundamental value investment strategy wherein the Adviser attempts to invest in asset-oriented securities the Adviser believes are undervalued by the market.

Growth. The Adviser may engage in a capital growth investment strategy wherein the Adviser attempts to select securities of a company whose earnings the Adviser expects to grow at an above-average rate compared to the company's specific industry or the overall market.

Arbitrage Transactions. The Adviser may engage in one or more types of arbitrage strategies. Arbitrage strategies attempt to take advantage of perceived price discrepancies of identical or similar financial instruments, on different markets or in other forms. The Adviser engages in the following arbitrage strategies: event-driven arbitrage, merger arbitrage, capital structure arbitrage, convertible arbitrage, fixed income, currency arbitrage or interest rate arbitrage.

Buy and Hold. The Adviser may engage in a buy and hold investment strategy wherein the Adviser buys securities and holds them for a relatively longer period of time, regardless of short-term factors such as fluctuations in the market or volatility of the security price.

Hedging. The Adviser may utilize a variety of financial instruments such as derivatives, options, interest rate swaps, caps and floors, futures and forward contracts for risk management purposes.

Relative Value. The Adviser may pursue relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued.

Short-Term Market Timing. The Adviser may engage in a short-term market timing investment strategy wherein the Adviser attempts to anticipate the market price of a stock before the stock's price reacts to market forces by analyzing macroeconomic and market trends, and then sells the stock shortly after the stock's price is influenced by market movements.

Leverage. The Adviser's investment program may utilize leverage which involves the borrowing of funds from brokerage firms, banks and other institutions in order to be able to increase the amount of capital available for marketable securities investments.

Short Selling. The Adviser may engage in short selling strategies. In a short sale transaction, the Adviser sells a security it does not own in anticipation that the market price of that security will decline. The Adviser makes short sales (i) as a form of hedging to offset potential declines in long positions in similar securities, (ii) in order to maintain flexibility and, (iii) for profit.

Alternative Investments. The Adviser may invest assets in securities for which there is no ready market, such as private or restricted securities, and which the Adviser in its sole discretion, deems appropriate. Such investments are generally made directly in securities of issuers relying on an exemption from registration under the Securities Act.

Commodities. The Adviser may transact in commodity futures and options including, but not limited to, futures and swaps, and investments in the agricultural, mineral, and energy sectors. Such transactions may be utilized for risk management and other purposes as deemed appropriate by the Adviser.

Real Estate. The Adviser, may participate in real estate investments, which may include real estate investment trusts (REIT) and the purchase, sale, renovation or financing of real estate assets.

Options. The Adviser may transact in options, which involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, either to purchase or sell the underlying security, commodity, or other instrument for a specific price at a certain time or period.

Derivatives. The Adviser may transact in derivatives, a bilateral contract the value of which is determined from the value of the underlying assets or asset at a future period.

Structured Notes. The Adviser may transact in structured products, which can be defined as complex financial instruments issued by an investment bank. These notes pay a predetermined coupon depending on the terms of the note, the underlying securities amongst other factors.

Digital Assets. The Adviser may transact in investment vehicles that focus on digital assets, including cryptocurrencies and related tokens.

Although the investment techniques and strategies outlined herein include those currently intended to be utilized by the Adviser, nothing herein should be interpreted to limit the investment techniques or strategies that the Adviser may employ. All investment methods, strategies and investments involve risk of loss to Clients. Clients must be prepared to bear the loss of their entire investment.

## ***Risks***

The Adviser cannot guarantee any level of performance or that any client will avoid losses in its accounts. Any investment in securities involves the possibility of financial loss that Clients should be prepared to bear. When evaluating risk, financial loss may be viewed differently by each Client and may depend on many different risk factors, each of which may affect the probability of adverse consequences and the magnitude

of any potential losses. Further details regarding the risks associated with investment are included in the client agreements or other documentation furnished to Clients. Clients are advised to carefully review all risk factors described in such documentation.

#### Material Risks Relating to Investment Strategies

*Issuer-Specific Changes.* Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

*Interest Rate Risks.* Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities.

*Arbitrage Transaction Risks.* If the requisite elements of an arbitrage strategy are not properly analyzed or unexpected events or price movements intervene, losses can occur which can be magnified to the extent the Adviser is employing leverage. Moreover, arbitrage strategies often depend upon identifying favorable "spreads", which can also be identified, reduced or eliminated by other market participants.

*Hedging.* There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while the Adviser may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Adviser's investment portfolios than if the Adviser did not engage in any such hedging transactions.

*Lack of Diversification.* Client accounts may not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, client portfolios are subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments.

*Relative Value Risk.* In the event that the perceived mispricing underlying the Adviser's relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by the Adviser, client accounts may incur a loss.

*Short Selling Risk.* The Adviser's investment program may include short selling. Short selling transactions expose the Adviser to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Adviser in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Adviser might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

*Distressed Situation Risk.* Investment in distressed situations exposes the client to significant risks, including: the difficulty in obtaining information as to the issuer's true condition; regulatory risk, including laws relating to fraudulent conveyances, voidable preferences, lender liability and bankruptcy; litigation risk; liquidity risk; and collection risk (especially, when dealing with sovereign debt). Moreover, to the extent client accounts are invested in sovereign debt obligations, those investments will be subject to additional risks and considerations not present in private distressed situations, including the uncertainties involved in enforcing and collecting debt obligations against sovereign nations, which are affected by world

events, changes in U.S. foreign policy and other factors outside of the control of the Adviser.

*Commodities.* Commodity investments are affected by business, financial market or legal uncertainties. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return of commodity investments. Prices of commodity assets may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Adviser's value of its investments. In addition, the value of the Adviser's portfolios may fluctuate as the general level of interest rates fluctuates.

*Leverage.* Performance may be more volatile if a client's account employs leverage.

*Emerging Markets.* The risks of foreign investments typically are greater in less developed countries, sometimes referred to as emerging 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 that may be 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.

*Fixed-Income and Debt Securities.* Investment in fixed-income and debt securities such as bonds, notes and asset-backed securities, subject a client's portfolios to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. Lastly, investments in lower-rated debt securities will also subject the investments to the risk that the securities may fluctuate more in price and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

*Equity Securities.* The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geopolitical risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

*Non-U.S. Securities.* Foreign securities, foreign currencies, and securities issued by U.S. or foreign 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. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

*Risk Arbitrage Securities.* A merger, other restructuring, tender, or exchange offer proposed at the time the Adviser invests in risk arbitrage securities may not be completed on the terms or within the time frame contemplated, resulting in losses.

*Derivatives.* Swaps, and certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the client or the Adviser. Further, transactions in derivative instruments are not undertaken on recognized exchanges and will expose the client's account to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

*Illiquid Instruments.* Certain instruments may have no readily available market or third-party pricing. Reduced liquidity may have an adverse impact on market price and the Adviser's ability to sell particular securities when necessary to meet liquidity needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. Reduced liquidity in the secondary market for certain securities may also make it more difficult for the Adviser to obtain market quotations based on actual trades for the purpose of valuing a fund's portfolio.

*Risk of Default or Bankruptcy of Third Parties.* Clients may engage in transactions in securities, commodities, other financial instruments and other assets that involve counterparties. Under certain conditions, a Client could suffer losses if a counterparty to a transaction were to default or if the market for certain securities, commodities, other financial instruments and/or other assets were to become illiquid. In addition, the Client could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Client does business, or to which securities, commodities, other financial instruments and/or other assets have been entrusted for custodial purposes. For example, if the Client's prime broker and custodian were to become insolvent or file for bankruptcy, the Client could suffer significant losses with respect to any securities held by such firm.

*Distressed Securities.* Investments in unrated or low-grade debt securities of distressed companies are subject to greater risk of loss of principal and interest than higher-rated debt securities. Also, securities of distressed companies are generally more likely to become worthless than the securities of more financially stable companies. In addition, evaluating credit risk for foreign debt securities involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

*Security Futures and Options.* In connection with the use of futures contracts and options, there may be an imperfect correlation between the change in market value of a security and the prices of the futures contracts and options in the client's account. In addition, the Adviser's investments in security futures and options may encounter a lack of a liquid secondary market for a futures contract and the resulting inability to close a futures position prior to its maturity date.

*Valuation of Securities.* Generally, the Adviser relies on valuation of securities conducted by qualified custodians. The Adviser calculates management fees it charges its Clients based on those valuations. While we reasonably believe that the valuation provided is reliable, the firm cannot guarantee that this valuation is always accurate. That, in turn, would affect the management fees calculation accuracy. If an error is identified, the firm will take necessary steps to obtain corrected valuation from the qualified custodian and revise the management fees calculation to restore its accuracy. Alternatively, for the Adviser's dedicated "alternative investment program," the Adviser typically relies on the adviser of such alternative asset. Given the nature of alternative assets, there likely is a relative scarce amount of market comparables, if any, on which to base the value of an alternative investment. As such, any such valuations may be speculative and

such valuations will affect the calculation of the Adviser's fees.

*Structured Products.* Structured notes have a counterparty risk component, whereby the issuer of the note may become insolvent and therefore fail to meet its payment obligations of a note. Additionally, these products are generally illiquid investments, and have a limited secondary market, if one exists at all.

*Digital Assets.* Digital assets, including cryptocurrencies and related tokens, involve significantly high degrees of risk. Digital assets have limited performance histories, can be extremely volatile, and are not subject to many of the regulatory oversights that other investable assets are subject to.

## **Item 9. Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a Client's evaluation of Compass or the integrity of Compass's management. Compass has no disciplinary events to report.

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

### ***Material Financial Industry Affiliations of the Firm***

The Parent Company of the Adviser also owns Compass Group LLC, a registered investment adviser with the SEC, and CG Compass (USA) LLC, a broker-dealer registered with FINRA. Certain of the Adviser's supervised persons are registered as registered representatives of CG Compass (USA) LLC. Moreover, in Schedule D of the Miscellaneous Section of Part 1 of the ADV, the Adviser lists out other affiliated investment advisers located across Latin America.

Further, certain of the Adviser's Clients at times will request that the Adviser direct all or a substantial portion of its securities transactions through CG Compass (USA) LLC. Any such relationship will result in a material conflict of interest because the Adviser will indirectly benefit from such client securities transactions and the Adviser will have an incentive to engage in more securities transactions for the Client than would otherwise be necessary to achieve the Client's investment objective. In such instances, we hereby disclose to such Clients that (a) certain officers and members of the Adviser will benefit indirectly from the receipt of compensation or other benefits; (b) the Adviser will not follow its customary evaluation procedures selecting brokers to effect transactions for the client or in negotiating commissions for the client, even when it might be able to obtain a more favorable price and execution from another broker-dealer; (c) orders for the Client may be placed separately from those of other client accounts of Compass; (d) the Client account may be precluded from, among other things, being able to realize any volume commission discounts or other cost savings resulting from the aggregation of orders for several advisory Clients as a single securities transaction; (e) the broker dealer will receive trailer fees when investing in certain mutual funds and (f) the client may terminate such direction in writing at any time.

Certain of the Adviser's management persons are also management persons of the Adviser's affiliated entities. The Adviser, its principals and/or related persons may also (i) act as general partner, management company or investment manager to certain private investment vehicles, (ii) organize additional private investment vehicles in the future, and (iii) have investments in certain of the entities managed by the Adviser or its affiliates.

Certain affiliates of the Adviser have been appointed as sub-adviser to funds which, to the extent appropriate for a Client's investment profile, the Adviser may recommend to such Clients. This presents a material conflict of interest because the Adviser may have an incentive to recommend these investment products based on the compensation received by its affiliates as sub-adviser, rather than on the needs of a Client.

Moreover, to the extent appropriate for a Client's investment profile, the Adviser at times will recommend a pooled investment vehicle managed by unaffiliated investment adviser for which an affiliate serves as a distributor. This presents a material conflict of interest because the Adviser may have an incentive to recommend these investment products based on the compensation received by its affiliate as a distributor to the pooled investment vehicle, rather than on the needs of a Client.

Further, the Adviser will, in addition to its investment advisory fees, indirectly benefit from a Client's investment in such funds which an affiliate acts as sub-adviser, because both the Adviser and its affiliates are owned by the Parent Company. In such instances, this conflict will be disclosed to Clients in their investment advisory agreement.

Certain affiliates of the Adviser will provide services to the Adviser. Such services may include, but are not limited to, research, trading and back-office services such as accounting and trade reconciliation. To the extent such service providers provide services to a client account, the Adviser is aware of its fiduciary duty to select service providers in manner that is consistent with the best interest of such Clients.

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

### ***Code of Ethics***

We have adopted a Code of Ethics in accordance with SEC requirements. The purpose of our Code of Ethics is to identify the ethical and legal framework in which our firm and its personnel are required to operate and to highlight some of the guiding principles and mechanisms for upholding our firm's standard of business conduct. Our Code of Ethics is designed to ensure that all applicable personnel are aware of and adhere to our firm's policies and procedures. The description below is a summary only. We will provide a complete copy of our Code of Ethics to our Clients and prospective Clients upon request.

***Standard of Business Conduct.*** Our firm and its personnel have a fiduciary duty to our Clients, and in this fiduciary capacity, we must place the interests of our Clients before our own interests.

***Basic Principles.*** Our Code of Ethics is based on a few basic principles: (i) our firm and its personnel must place the interests of our Clients above their own; (ii) the professional activities and personal investment activities of our firm's personnel must be consistent with our Code of Ethics and avoid any actual or potential conflict between the interests of Clients and those of our firm or its personnel; (iii) the activities of our firm's personnel must be conducted in a way that avoids any abuse of any such person's position of trust with and responsibility to our firm and Clients; (iv) our employees must not take any inappropriate advantage of their positions at our firm; (v) we must maintain independent in our investment decision-making process; and (vi) our firm's personnel may not engage in any act, practice or course of conduct that would violate the provisions of Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), and other applicable securities laws.

***Conflicts of Interest.*** As a fiduciary, our firm has an affirmative duty of care, loyalty, honesty and good faith to act in the best interests of our Clients. Our firm makes every effort to avoid conflicts of interest and fully disclose all material facts concerning any conflict of interest that may arise with respect to any of our Clients. Our firm stresses that individuals subject to our Code of Ethics must try to avoid situations that have even the appearance of conflict or impropriety.

***Insider Trading.*** Our firm's personnel may not trade, either personally or on behalf of another, on material non-public information or communicate material non-public information to another person in violation of the law. This policy applies to all of our firm's personnel and extends to their activities both within and outside their duties for our firm. Our firm has also implemented policies and procedures designed to detect

and prevent insider trading.

***Personal Securities Transactions.*** The Adviser's principals and employees may trade and invest for their own accounts, including investments in equity instruments, private placements and exchange-traded funds, amongst others. To address conflicts of interest that may be posed by this type of trading, the Adviser maintains its Code. Specifically, the Code requires that the principals and employees of the Adviser disclose their personal securities holdings and transactions to the Adviser on a periodic basis and pre-clear certain types of personal securities transactions. Additionally, the Code requires principals and employees to submit initial holdings reports, and quarterly transaction reports showing all transactions in which the person has, or by reason of such transaction acquires, any direct or indirect beneficial ownership in covered securities, with limited exceptions for securities such as shares of mutual funds. This enables the Adviser to determine with reasonable assurance any indications of scalping, front-running or other appearances of a conflict of interest. The Adviser, its affiliates and its employees may give advice or take action for their own accounts that may differ from, conflict with, or be adverse to the advice or actions taken for a client. These activities may adversely affect the prices and availability of other securities held by or potentially considered for purchase by any client.

***Service as a Director.*** Our firm's employees are prohibited from serving on the boards of directors of any outside company, unless the service (i) would be in the best interests of our firm or our Clients and (ii) has been approved in writing by our firm's Chief Compliance Officer; provided that our employees will not be required to obtain prior written approval for service on the boards of directors of charitable or civic organizations. In addition, any employee serving on the board of a private company which is about to go public may be required to resign either immediately or at the end of the current term.

***Reporting of Violations.*** Our firm has implemented policies and procedures whereby our firm's personnel are required to report any violation, apparent violation or potential violation of our Code of Ethics to our firm's Chief Compliance Officer.

***Review and Enforcement.*** Our firm's Chief Compliance Officer is responsible for ensuring adequate supervision over the activities of all persons who act on our behalf in order to prevent and detect violations of our Code of Ethics by such persons.

### ***Conflicts of Interest***

From time to time, subject to client or investment guidelines and restrictions, our firm is authorized to direct one of our Clients to sell investments to another of our Clients through an internal cross transaction in which our firm will receive no compensation. In most cases, an independent pricing mechanism will be used to ensure objectivity. However, there could be times in which that pricing mechanism is not feasible or fair to our Clients, in which case our firm will seek some pricing mechanism that is fair to both such Clients.

To the extent that any of the transactions described above may be viewed as a principal transaction due to the interest of our firm or its affiliates in a purchaser or seller, our firm will comply with the requirements of Section 206(3) of the Advisers Act, and provide written notification to the relevant client and obtain client consent either prior to the principal transaction or prior to its settlement.

In addition, our firm may give advice or take action with respect to investments of one or more of our Clients that may not be given or taken with respect to our other Clients with similar investment programs, objectives and strategies. Accordingly, our Clients with similar investment strategies may not hold the same investments or achieve the same performance. Our firm may also advise our Clients with conflicting programs, objectives or strategies. These activities may also adversely affect the prices and availability of other investments held or potentially considered for one or more Clients.

Our firm maintains a list of companies about which a determination has been made that it is prudent to restrict or limit trading activity based on the possibility that our firm and employees have access to material nonpublic information. As a general rule, trades will not be allowed for Clients, or for the personal accounts of employees, in the securities of an issuer appearing on the restricted list, except with the pre-approval of our firm's Chief Compliance Officer. Restrictions and limitations with regard to securities on the restricted list are also considered to extend to options, rights or warrants relating to those securities and any securities convertible into those securities.

## **Item 12. Brokerage Practices**

### ***Selection of Brokers***

The Parent Company of the Adviser also owns CG Compass (USA) LLC, a registered broker dealer. Further, certain of the Adviser's Clients may request that the Adviser direct all or a substantial portion of its securities transactions through CG Compass (USA) LLC. Any such relationship will result in a material conflict of interest because the Adviser will indirectly benefit from all such client securities transactions and the Adviser will have an incentive to engage in more securities transactions for the client than would otherwise be necessary to achieve the client's investment objective. In such instances, it will be disclosed to Clients that (a) certain officers and members of the Adviser will benefit indirectly from the receipt of compensation or other benefits; (b) the Adviser will not follow its customary evaluation procedures selecting brokers to effect transactions for the client or in negotiating commissions for the client, even when it might be able to obtain a more favorable price and execution from another broker-dealer; (c) orders for the client may be placed separately from those of other client accounts of Compass; (d) the client account may be precluded from, among other things, being able to realize any volume commission discounts or other cost savings resulting from the aggregation of orders for several advisory Clients as a single securities transaction; and (e) the client may terminate such direction in writing at any time.

### ***Research and Soft Dollars***

At this time our firm is not a party to, and does not anticipate entering into, any formal "soft dollar" arrangements. However, our firm has the option to use "soft dollars" generated by our Clients to pay for research related services. In the event that our firm utilizes allocations of commission dollars, it will do so solely to pay for products or services that qualify as "research and brokerage services" within the "safe harbor" of Section 28(e) of the Securities Exchange Act of 1934, as amended.

### ***Aggregation of Orders***

The Adviser may purchase or sell the same security for many Clients contemporaneously and using the same executing broker. It is the Adviser's practice, where possible, to aggregate client orders for the purchase or sale of the same security submitted contemporaneously for execution using the same executing broker. Such aggregation may enable the Adviser to obtain for Clients a more favorable price or a better commission rate based upon the volume of a particular transaction. When an aggregated order is completely filled, the Adviser allocates the securities purchased or proceeds of sale pro rata among the participating accounts, based on the purchase or sale order. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If the order at a particular broker is filled at several different prices, through multiple trades, generally all such participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. If an aggregated order is only partially filled, the Adviser's procedures provide that the securities or proceeds are to be allocated in a manner deemed fair and equitable to Clients. Depending on the investment strategy pursued and the type of security, this may result in a pro rata allocation to all participating Clients.

### ***Directed Brokerage***

The Adviser generally executes a Client's trades with the Client's specified broker-dealer. Given this standard arrangement, the Adviser typically does not select the broker-dealers to effect transactions and in negotiating commissions for a Client's account. Although the Adviser attempts to effect such transactions in a manner consistent with its policy of seeking best execution, there may be occasions where it is unable to do so, in which case the Adviser will continue to comply with the Client's instructions of using the Client's designated broker-dealer. Transactions in the same security for accounts that have directed the use of the same broker may be aggregated. A Client who directs the Adviser to use a particular broker-dealer to effect transactions should consider whether such direction may result in certain costs or disadvantages to the Client. Such costs may include but are not limited to higher brokerage commissions (as an example, the Adviser may not be able to aggregate orders to reduce transaction costs) and/or less favorable execution of transactions. By permitting a Client to direct the Adviser to execute the Client's trades through a specified broker-dealer, the Adviser will make no attempt to negotiate commissions on behalf of the Client and, as a result, in some transactions such Clients may pay materially disparate commissions depending on their commission arrangement with the specified broker-dealer and other factors. The commissions charged to Clients that direct the Adviser to execute the Client's trades through a specified broker-dealer may in some transactions be materially different than those of Clients who do not direct the execution of their trades or who have directed the Adviser to use a different broker-dealer.

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

Clients' portfolios are subject to regular reviews on at least a quarterly basis by an investment advisor representative, assigned account manager or their designee. Additionally, each Client is offered at least an annual account review by a representative. Interim reviews may be triggered by Client request, or by material market, economic or political events, or by changes in Clients' financial situations (such as retirement, termination of employment, physical move, or inheritance).

Reviews are based on objectives or parameters established by each Client, which are generally memorialized through their individual advisory agreements and/or investment policy statements.

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

The Adviser at times makes cash payments to third-party and affiliated promoters for client referrals, provided that, to the extent required, each such promoter has entered into a written agreement with the Adviser. Where applicable, cash payments for client solicitations will be structured to comply fully with the requirements of Rule 206(4)-1 under the Advisers Act and related SEC staff interpretations.

### **Item 15. Custody**

Our firm does not have custody over the assets of our Clients.

### **Item 16. Investment Discretion**

Our firm is generally provided with discretionary authority to manage the investment accounts of most of our Clients as set forth in, and limited by, the terms and conditions of the agreements with such Clients. Although in some other cases, the authority may be non-discretionary. Whether the Adviser provides discretionary or non-discretionary advisory services will specifically be set forth in the Clients' investment advisory agreement.

### **Item 17. Voting Client Securities**

The Adviser's policy is to not vote proxies on behalf of its Clients and therefore, the Adviser shall have no obligation to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in a client's account. Clients should agree and arrange with their custodians to receive proxies and other solicitations directly from the custodian if they so desire. Consequently, Clients retain the responsibility for receiving and voting all proxies for securities held within the client's account.

While Adviser employees may answer client questions regarding proxy voting matters in an effort to assist the client in determining how to vote the proxy, the final decision of how to vote the proxy rests with the client. The Adviser shall not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client.

## **Item 18. Financial Information**

### *Balance Sheet*

The Adviser is not required to attach a balance sheet because it does not require or solicit the payment of fees six months or more in advance.

### *Contractual Commitments to Our Clients*

The Adviser has no financial condition that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to its Clients.

### *Bankruptcy Petitions*

The Adviser has never been the subject of a bankruptcy petition.