

# ACP Capital Management, LLC

Form ADV Part 2A Appendix 1

## Wrap Fee Program Brochure

October 2023

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This wrap fee program brochure provides information about the qualifications and business practices of ACP Capital Management, LLC (“ACP Capital”). If you have any questions about the contents of this brochure, please contact ACP Capital at email [ffrazao@acpcapitalmanagement.com](mailto:ffrazao@acpcapitalmanagement.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about ACP Capital Management, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration as an investment adviser does not imply any level of skill or training. Clients should utilize the oral and written information provided by advisers in determining which one to hire.

## **Item 2 – Material Changes**

Since our most recent annual update on March 2023:

- This is the initial version of the wrap fee brochure

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## **Item 4 – Services, Fees, and Compensation**

### **General**

ACP Capital Management, LLC, d/b/a ACP Capital, a limited liability company organized under the laws of the State of Florida on November 2005, is an Investment Adviser registered with the Securities and Exchange Commission (SEC). The firm is entirely owned by ACP Capital Holdings, LLC. Esteban Endere owns 33.34% and Ezequiel Bidau and Piero Siveroni each own 33.33 % of ACP Capital Holdings, LLC.

This brochure provides you with information regarding our qualifications, business practices, and advisory services. We recommend that you review it carefully.

### **Description of the Wrap Fee Program**

Under this Wrap Fee Program titled ACP Investor, ACP Capital bundles, or “wraps”, investment advisory (portfolio selection and management), execution, settlement, custody, and various administrative services together and charges a single fee. The fee is based on the value of the assets under management (“AUM”).

ACP Capital provides discretionary investment advisory services to clients through a digital platform by utilizing algorithms and methodologies for developing and implementing Model Portfolios (described below) with differing risk criteria. Due to the discretionary nature of the services offered, ACP Capital will invest the available funds in a selected portfolio and make periodic adjustments and rebalancing transactions without asking clients for their concurrence or approval.

ACP Capital provides its advisory services utilizing BCP Advisors LLC (d/b/a BCP Global) as a sub-adviser and using their proprietary online and mobile platform to digitize the processes of customer onboarding (individuals), account services, investment profile assessment, portfolio recommendation, and investment management.

Under our sub-advisory agreement, BCP Global is responsible for operating the platform and its related services. ACP Capital will provide its clients with access to the BCP Global platform via its interactive website and mobile application. BCP Global has retained the services of Interactive Brokers LLC (member FINRA/SIPC) (“Interactive Brokers” or “custodian”) for all the execution, clearing, and custody services. Clients will open cash accounts at Interactive Brokers to maintain their assets.

### **Investment Advisory Process**

As a first step, clients complete an online investment profile questionnaire by answering nine questions, including, investment knowledge and experience, financial situation, relative size of the investment, access to emergency funds, investment goal or objective, investment horizon, and risk tolerance.

Based on the analysis of the information provided by the client, the algorithm embedded in the platform will recommend one or more suitable investment portfolios (the “Model Portfolios”) that are designed to meet the client’s investment profile. The client will have the ability to choose the recommended portfolio or disregard it and select another available portfolio. Clients could impose reasonable restrictions on the Model Portfolio, including the designation of particular securities or types of securities that should not be purchased or maintained for the client accounts; provided, however, that nothing herein requires that the Client has the ability to require that particular securities or types of securities be purchased for the client accounts.

The algorithm considers only the information provided by the client in answering the questionnaire. Other important information, if not included in the answers to the questionnaire, will not be considered in the recommendation.

Once the account has been funded and invested in the selected Model Portfolio, BCP Global will periodically rebalance the portfolio according to the recommendations of BlackRock Financial Management, Inc. (“BlackRock”), our model provider.

Inflows and outflows would require buy or sell transactions to be made in adequate proportions to maintain target exposure weights. Furthermore, significant market movements may put the portfolio out of balance and require transactions to bring target exposure weights back to normal.

Clients may use the online platform to request a portfolio change anytime.

ACP Capital, in its role as investment advisor and fiduciary, supervises and customizes the investment profile questionnaire, provides parameters for the algorithm controlling the portfolio recommendations, and monitors the investment management process, including portfolio rebalancing.

### **Model Portfolios**

The Model Portfolios consist mainly of a combination of exchange-traded funds (“ETFs”) or Undertakings for Collective Investment in Transferable Securities (“UCITS”) that have been pre-selected because of their suitability to provide efficient market exposure and adequate diversification. ETFs are investment funds made up of a collection of assets, such as stocks and bonds, that are traded like individual stocks. UCITS are mutual funds registered in Europe under

A unified regulatory framework that can be sold to investors worldwide. UCITS ETFs are issued under the UCITS framework, suitable for non-US customers, and usually trading in European exchanges.

Each Model Portfolio has been designed to meet one or more investment goals or objectives and, in this sense, will provide an expected level of return with a corresponding level of residual (non-diversifiable) risks. This investment approach relies on the Modern Portfolio Theory (MPT) tenets. According to this theory, the optimal investment portfolio seeks to maximize returns for a certain level of residual risk. This is achieved by reducing diversifiable risks by combining asset classes and issuers with low and, in a few cases, negative correlations.

The investment styles reflected in our Model Portfolios may include long-term (buy and hold) allocations which would rebalance about once per year and tactical (active) allocations which

would rebalance about 4-6 times per year.

The purpose of our Model Portfolios is to deliver efficiency, transparency, and cost-effectiveness. The ETFs and UCITS (ETFs) that comprise the Model Portfolios' components aim to meet specific goals, such as broad diversification, targeted exposure, and tax efficiency. The ETF selection process uses a database of more than 300 ETFs and is primarily driven by the exposure provided and their cost and operational efficiency.

More information is available under Item 6. Portfolio Manager Selection and Evaluation.

### **Fee Schedule**

The management fees charged by ACP Capital are established in each client's written agreement. ACP Capital bundles, or "wraps," investment advisory, portfolio management, and most brokerage, custody, clearing, settlement, and other administrative services and charges a single fee.

Management fees may be flat, fixed, or mixed upon negotiation. However, generally, and pursuant to the contract, fees for the management of accounts will be based upon a percentage of the total assets in the account. ACP Capital typically charges an annual management fee as per the table below:

Up to \$250,000	1.75% of the AUM (Assets under Management)
\$250,001 to \$500,000	1.50% of the AUM
\$500,001 to \$1,000,000	1.25% of the AUM
Over \$1,000,000	1.00% of the AUM

No management fees are assessed on zero balance accounts.

The outlined management (wrap) fee pays for all ACP Capital' advisory and portfolio management services as well as Interactive Brokers' covered brokerage services. Interactive Brokers will not charge you any fee in connection with the Program other than the specified wrap fee unless you request services beyond the covered brokerage services, which can include, without limitation, the transfer of shares from your Interactive Brokers' account to a brokerage account not associated with the Adviser, among others.

The advisory fee is automatically calculated and charged by Interactive Brokers. The calculation is made daily based on the ending market value ("EMV") of the assets managed by the Adviser. To make the daily calculation, Interactive Brokers applies the annual agreed-upon tiered rate to the EMV and divides it by 252 business days for the year. The monthly fee charged is the sum of the daily fee calculations.

The client shall pay ACP Capital in arrears for services provided under the contract during each calendar month.

You will grant us the authority to receive our advisory fees from your account at Interactive Brokers. Clients agree that all fees will be deducted monthly from their accounts. When services are provided for less than one calendar month, the fee will be prorated based on the number of

business days for which services were provided within the month. In rare cases where the automatic fee deduction arrangement is not in place, we will bill you directly for our services.

As previously mentioned, commissions charged by Interactive Brokers for trade execution will be absorbed by ACP Capital.

ACP Capital does not charge performance-based fees, that is, advisory fees based on a share of the capital gains or appreciation of a client's assets.

If ACP Capital, BCP Global, or Interactive Brokers suspend all services under the Wrap Fee Program, ACP Capital, at its sole discretion, will credit to your advisory account maintained at Interactive Brokers the prorated fee for the period during which all services for the account were suspended.

### **Fees charged directly by the ETFs and UCITS**

Clients acknowledge that certain investments, such as the ETFs and UCITS that comprise the Portfolios, charge their own fees and/or expenses. In such cases, the deduction of the fees and expenses of the ETFs and UCITS occurs from the ETFs and UCITS' average net assets, including the brokerage fees and other costs and charges incurred internally in the ETFs and UCITS. These fees and expenses are reflected in the price of the ETF and UCITS shares and are not separately deducted from your advisory account held with Interactive Brokers. The fees and expenses charged by the ETFs and UCITS are separate and distinct from the wrap fee for our advisory services. By participating in ACP Capital' services, clients acknowledge that they have access to information concerning the fees charged and costs incurred by each.

ETF and UCITS are outlined in the applicable fact sheets available on the ACP Capital' Website and BCP Global online platform. Please note if you request the delivery of paper documents (i.e., account statements) that ACP Capital or the broker/custodian provides typically in electronic format, additional fees may be assessed by ACP Capital or the broker/custodian.

### **Termination of the Agreement**

Either party may terminate the Investment Advisory Agreement (the "Agreement") at any time by written notice. Termination of the Agreement will not affect (a) the validity of any actions previously taken by us under the Agreement; (b) liabilities or obligations of the parties from transactions initiated before termination of the Agreement; or (c) your obligation to pay the advisory fees (pro-rated through the date of termination).

Clients may at any time elect to close the account and terminate the agreements with all entities via email at [soporte@acp-investor.com](mailto:soporte@acp-investor.com) or via a signed letter to ACP Capital's principal office address. Upon receipt of any requests to terminate the agreement and close a customer account, ACP Capital through BCP Global will:

- Instruct the broker/custodian to settle any pending purchases or sales.
- Instruct the broker/custodian to initiate liquidating sales on all ETFs and UCITS shares in the account and to send the account balance, minus any portion of the wrap fee or other fees due, to the account you have registered and instruct us to deliver the funds

to.

Alternatively, if a client requests to transfer the holdings in their account with us to another account in their own name and at another custodian, we will transfer the available shares if the other custodian is able to accept them. In such cases, ACP Capital will instruct BCP Global to instruct Interactive Brokers to transfer the shares in accordance with the client's instructions, minus any fees due for in-kind transfers to another custodian.

ACP Capital may deduct any unpaid and pro-rated portion of the wrap fee owed through the day ACP Capital received the cancellation notice and any other fees owed for irregular services, including but not limited to paper delivery of documents, transfer, or physical delivery of shares

## **Item 5 – Account Requirements and Types of Clients**

ACP Capital provides investment advisory services to individuals, high net worth individuals, trusts, and corporations located in those states where we operate and a select list of countries. In general, there is a \$20,000 minimum investment commitment to open an account and we recommend our clients to maintain a minimum account size of \$15,000. ACP Capital reserves the right to waive account minimums on a case-by-case basis and at its sole discretion.

## **Item 6 – Portfolio Manager Selection and Evaluation**

ACP Capital hired BCP Global as its sub-adviser to leverage operational and portfolio management efficiencies and to offer its clients convenience and better experiences derived from an online and mobile solution.

ACP Capital selected BlackRock Model Portfolio Solutions because, being one of the largest asset managers in the world, BlackRock has extensive global teams of analysts, portfolio managers, and strategists, leveraging state-of-the-art resources to analyze market information and risks, providing them robust capabilities in the design and management of global model portfolios that reflects in their overall performance.

The line-up of BlackRock-sponsored and managed ETFs and UCITS is broad, comprehensive, and known for its efficiency.

The investments offered by the Adviser will be integrated into a platform, where clients will answer a series of personal and investment-related questions, thus setting a recommended allocation between portfolios available through the program. Investing in securities involves the risk of loss that clients should be prepared to bear.



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

ACP Capital utilizes specific model portfolios designed by BlackRock's Model Portfolio Solutions and implemented by BCP Global through its online platform.

Given a client's specific investor profile, which is determined by analyzing the answers provided by the client to an online questionnaire, the algorithms embedded in the online platform will recommend one or more suitable portfolios. The recommended BlackRock model portfolios were designed after a systematic and in-depth analysis of possible combinations of asset classes to obtain an optimal allocation that is reflective of clients' goals and risk tolerances.

The optimal mix of asset classes and sub-classes for a portfolio is expected to generate a target level of return and risk. As per the modern portfolio theory, the objective is to create an asset allocation that produces the maximum possible return for a given level of risk.

To reduce the risk of the portfolios, allocations include uncorrelated asset classes and sub-classes. Exposure to these asset classes and sub-classes is accomplished by using ETFs and UCITS. The universe of available ETFs is regularly reviewed to identify those most appropriate to represent each asset class and sub-class. The model portfolios use ETFs and UCITS managed by BlackRock affiliates.

An ETF is a security that usually tracks a basket of stocks, bonds, or assets like an index fund but trades like a stock on a stock exchange. Passively managed ETFs closely track their benchmarks, such as the Dow Jones Industrial Average or the S&P 500.

Passively managed ETFs restrict the fund manager from replicating the performance of their benchmark, usually, the indices they follow, and ensure the same level of investment diversification as the benchmark itself. Passively managed ETFs have the advantage of lower costs and asset rotation.

There are separate BlackRock model portfolios for US-based investors and for non-US investors. The main difference is the funds (ETFs) utilized in their composition. For US-based investors, the model portfolios use US-registered and US-traded ETFs, while for non-US investors the model portfolios use Europe-registered and Europe-traded (UCITS) ETFs.

There are separate BlackRock model portfolios reflecting two investment styles:

- The **Long Horizon** model portfolios rely on the principles that markets are efficient and exposure to certain risk factors explains most of the returns. It also relies on the importance of understanding current valuations and relative position in the economic cycle to adapt allocation and reduce risks. In this sense, Long Horizon portfolios are built following well-diversified, index-based, long-term strategies that should adapt via tactical tilts to macro conditions while controlling for unintended risks to preserve the portfolio. Five portfolios reflect different asset allocations from 100% global fixed income to 100% global equities. The portfolios usually have 5 to 10 different positions in ETFs or UCITS reflecting diverse asset classes and sub-classes that could be tactically tilted or rebalanced once per year.

- The **Target Allocation** model portfolios also rely on the principles that markets are efficient and exposure to certain risk factors explains most of the returns. It also relies on the importance of understanding current valuations and relative position in the economic cycle to adapt allocation and reduce risks. In this sense, Tactical Allocation portfolios are built following well-diversified, index-based strategies that should often adapt via tactical tilts to macro conditions while controlling for unintended risks to preserve the portfolio. Five portfolios reflect different asset allocations from 100% global fixed income to 100% global equities. The portfolios usually have 8 to 25 different positions in ETFs or UCITS reflecting a more diverse set of asset classes and sub-classes that could be tactically tilted or rebalanced 4-6 times per year.

Furthermore, when clients deposit or withdraw money from their ACP Capital' account, they are authorizing us to initiate transactions for the purchase or sale of proportional interests in the portfolio of ETFs in an amount that corresponds to their revised allocation. Similarly, when clients modify their desired portfolio selection, they authorize us to initiate transactions to reflect their updated selection.

As a condition for obtaining our services, clients are required to agree to have their accounts automatically rebalanced. Non-US residents are directed to invest in accumulating share classes, meaning these funds have no dividend distributions.

Investing in securities involves the risk of loss of capital that clients should be prepared to bear. Please carefully review the section on Investment Risks.

### **Trade Execution, Account Maintenance, and Asset Custody**

When clients choose this Program, they are also choosing the brokerage services of Interactive Brokers, which is a broker-dealer and a FINRA member. Pursuant to contractual authority from the client, Interactive Brokers will maintain all client accounts and execute all securities transactions in client accounts without charging separate commissions for execution. Interactive Brokers' execution procedures are designed to make every attempt to obtain the best execution possible, although there can be no assurance that it can be obtained.

Generally, when clients make changes to their accounts, transactions will be aggregated and processed once a day, while changes clients make to their accounts after the cut-off time will be processed in aggregate trades the next business day. Markets for foreign-listed ETFs may close at different times during the day and follow a different holiday schedule. In this sense, non-US investors using foreign-listed ETFs may be subject to different cutoff times and trading delays. Deposits are subject to a processing period that may take up to five business days or longer; transactions depending on deposits becoming effective will only occur on the next business day after the processing period is complete.

To improve execution, ACP Capital, through BCP Global, effects aggregated block transactions involving multiple ACP Capital accounts. These transactions are not subject to mark-ups, mark-downs, or dealer spreads. In conducting these transactions, and to treat all customers fairly, no client is favored over any other client, and each client that participates in an aggregated transaction will participate at the average share price for the transactions in the aggregated order.

## **Investment Concentration**

Even though model portfolios are well diversified by design, some client accounts following a specific type of model portfolio may have a higher concentration in one sector, industry, issuer, or security that may subject such accounts to greater risk of loss in the event such investments take an economic downturn.

## **Investment Risk Disclosures**

While ACP Capital uses model portfolios to minimize potential losses, there are no assurances that such designs will succeed. It is possible that a client may lose a substantial proportion or all its assets in connection with investment strategies recommended by the Adviser. The following is a discussion of typical risks for the Adviser's clients, but it does not purport to be a complete explanation of the risks involved in the recommended investment strategies.

There is no guarantee that in any investment period, particularly in the short term, a client's portfolio will achieve appreciation in terms of capital growth or that a client's investment objective will be met by following the Adviser's recommendations. The value of the securities the Adviser invests on behalf of its clients may be volatile. Price movements may result from factors affecting individual companies, sectors, industries, or geographical regions that may influence specific holdings or the securities markets in general. Furthermore, a client will be subject to the risk that inflation, economic recession, changes in the general level of interest rates, or other market conditions over which the Adviser will have no control may adversely affect investment results.

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

## **Market Risk**

Market risks affect the investment portfolio's value, are usually broad-based, and include adverse developments deriving from political, regulatory, market or economic events that affect issuers, sectors, industries, segments, or regions.

## **Investment Style or Asset Class Risks**

Different stages in the business and economic cycle may negatively affect certain investment styles (for example growth, value, large-cap, or small-cap stocks, etc.) or asset classes (for example emerging markets debt, real estate, etc.) These negative return periods could last several years.

## **Growth Company Risks**

Growth companies derive their valuations, for the most part, from future earnings and cash flow growth. Economic slowdowns may disproportionately affect the valuation of growth companies.

## **Small- and Mid-Cap Company Risks**

Smaller sized companies have narrower customer bases, heightened reliance on suppliers, less access to financing and, in general, a higher level of exposure to changes in the business environment.

### **Sector Risks**

Issuers belonging to similar sectors or industries may be affected by the same events or developments.

### **High Yield Risks**

Issuers of bonds with a credit rating below investment grade are more susceptible to changes in the business and economic conditions, increases in interest rates, and restrictions in their access to financing.

### **Credit Risks**

These risks refer to issuers and counterparties being unable or unwilling to pay their obligations. A less robust financial condition, especially in terms of access to funds or liquidity, tends to increase credit risk.

### **Interest Rate Risks**

These risks refer to the loss of value in fixed-income investments, including preferred shares, as interest rates rise, and prices must adjust to reflect higher required yields.

### **Currency Risks**

These risks refer to the possibility that the value of a currency in which the investor has a long exposure becomes less valuable in terms of the investor's base currency.

### **Liquidity Risks**

Liquidity relates to the ability to sell an investment in a timely manner. The market for relatively illiquid securities tends to be more volatile. Investments in relatively illiquid securities may restrict the ability of a fund or portfolio manager to dispose of investments at a price and time that it wishes to do so. The risk of illiquidity also arises in the case of over-the-counter transactions as there is no regulated market, and the bid and offer prices will be established solely by dealers in these contracts.

### **Settlement Risks**

Execution may expose a client to the credit risk of parties with whom the Adviser trades on behalf of the client and through the Broker-Dealer and to the risk of settlement default. Clearing, settlement, and registration systems in emerging markets need to be developed and may provide increased risks.

## **Short Selling Risks**

We typically will not directly engage in short selling in client accounts. However, we may invest in funds and other securities on behalf of clients that may sell securities short. Short selling by a fund manager can significantly impact the value and volatility of a fund held in a client's account. The possible losses from selling short differ from losses that could be incurred from a cash investment; the former may be unlimited, whereas the latter can only equal the total amount of the cash investment. Short selling activities are also subject to restrictions imposed by the various national and regional securities exchanges.

## **Emerging Markets Risks**

Investment strategies may include direct and indirect investments in securities in emerging markets and such investments involve special considerations and risks. These include a possibility of nationalization, expropriation or confiscatory taxation, foreign exchange control, political changes, government regulation, social instability, or diplomatic developments, which could adversely affect the economies of such countries or the value of a client's investments, and the risks of investing in countries with smaller capital markets, such as limited liquidity, price volatility, restrictions on foreign investment and repatriation of capital, and the risks associated with emerging economies, including high inflation and interest rates and political and social uncertainties. In addition, obtaining and enforcing a judgment in a court in an emerging country may be difficult. Investments in products of emerging markets may also become illiquid, constraining our ability to liquidate some or all of a client's portfolio holdings. Accounting standards in emerging market countries may not be as stringent as accounting standards in developed countries.

## **Material Risks for Particular Types of Securities**

The Adviser invests primarily in Exchange Traded Funds (ETFs) and UCITS. The material risks involved with investing in ETFs and UCITS are described below.

### **ETF Risks including Net Asset Valuation and Tracking Error**

ETF performance may not precisely match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) specific securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Specific ETF strategies may, from time to time, include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than generally charged for exchange-traded equity securities and for which market quotations or valuation may be limited or inaccurate. Clients should be aware that to the extent they invest in ETF securities, they will

pay two levels of advisory compensation – advisory fees charged by the Adviser plus any management fees charged by the sponsor of the ETF. An ETF typically includes embedded expenses that may reduce the fund's net asset value and therefore directly affect the fund's

performance and indirectly affect a client's portfolio performance or an index comparison. Expenses of the fund may include investment management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF sponsor. ETF tracking errors and expenses may vary.

### **Proxy Voting**

As a matter of policy and practice, ACP Capital does not accept or maintain the authority to vote proxies on behalf of advisory clients. Clients will receive proxy statements through our custodian. Clients are responsible for receiving and voting proxies for all securities maintained in client portfolios. ACP Capital does not provide advice to clients regarding the clients' voting of proxies.

## **Item 7 – Client Information Provided to Portfolio Managers**

Clients provide personal information to ACP Capital and to BCP Global while answering the investor profile questionnaire. This information is utilized by ACP Capital and BCP Global to recommend an investment portfolio.

At the time of account opening, client information, including non-public personal information, is shared with ACP Capital and BCP Global to apply for a new account at Interactive Brokers, LLC. In this sense, ACP Capital, BCP Global, and Interactive Brokers are unaffiliated parties, sharing your non-public personal information under provisions of contractual agreements and with the purpose of providing the entirety of the contracted services under this Wrap Fee Program.

Interactive Brokers may share your nonpublic personal information to provide execution, settlement, and custody services.

Each entity has its own privacy policies in compliance with regulations.

Even though we will make efforts to keep your information current, we encourage you to act proactively and keep us up to date on any changes in your personal information, including those parts that may be relevant for investment suitability and our portfolio recommendation. At least annually, ACP Capital shall contact the Client to determine whether there have been any changes in Client's financial situation or investment objectives and whether the Client wishes to impose any reasonable restrictions on the management of the Client Portfolio or reasonably modify existing restrictions.

## **Item 8 – Client Contact with Portfolio Managers**

Clients may contact ACP Capital's customer support by phone at (305) 670-4180 during our operating hours and by email at ([soporte@acp-investor.com](mailto:soporte@acp-investor.com)) at all times regarding administrative items or general inquiries about operating the platform. Investment advice is only provided through the online platform.

## **Item 9 – Additional Information**

### **Disciplinary Information**

Investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of an adviser or the integrity of the adviser's management. We have not been subject to any disciplinary events by regulators, nor are we a party to any legal events that are material to client evaluation of our advisory business. Please visit [www.advisorinfo@sec.gov](mailto:www.advisorinfo@sec.gov) at any time to view ACP Capital's registration information and any applicable disciplinary action.

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

#### **Broker-Dealer Registration**

Associated Persons of our firm may also be separately licensed as a registered representative with ACP Securities, LLC. As dually licensed representatives, these individuals will receive commissions for the purchase and sale of securities and annuity products. This commission revenue is separate and in addition to revenue received from advisory fees. This arrangement represents a conflict of interest due to the receipt of both advisory and commission compensation. ACP Capital has policies and procedures in place to monitor all Client transactions and all Client transaction costs will be disclosed to the Client.

#### **Commodity Pool Operator, Commodity Trading Adviser, Futures Commission Merchant Registration**

Neither Adviser nor its management persons or associated persons are registered or associated with the Commodity Futures Trading Commission ("CFTC") as a futures commission merchant ("FCM"), a commodity pool operator ("CPO") or a commodity trading advisor ("CTA") or an associated person of the foregoing entities.

#### **Other – Financial Affiliates**

ACP Capital is affiliated with ACP Securities, LLC through common control and ownership. ACP Securities, LLC is a securities broker-dealer, and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

ACP Securities, LLC provides or contemplates providing a wide range of financial services to individuals, banks and thrift institutions, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and other business entities. ACP Securities, LLC provides ACP Capital with back-office services, employees, space and equipment to aid ACP Capital in its business.

The broker/dealer has expertise in equities and fixed income (including structured fixed income). The broker/dealer offers alternative investments, which combined with the traditional investment products, provides investors an opportunity to diversify their overall investment portfolio.

There is a potential conflict in that ACP Capital will have a preference to execute brokerage transactions through ACP Securities, LLC. However, the Adviser will consider other broker/dealers who may be able to provide better execution. ACP Capital will refer clients to ACP Securities, LLC only if ACP Securities LLC is properly registered in the client's state of residence.

### **Description of Our Code of Ethics**

ACP Capital has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes ACP Capital's policies and procedures developed to protect Client's interests in relation to the following topics:

- The duty at all times to place the interests of Clients first.
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics.
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility.
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of Clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of ACP Capital's Code of Ethics is available upon request to the Chief Compliance Officer at ACP Capital's principal office address.

### **Personal Trading Practices**

At times ACP Capital and/or its Advisory Representatives may take positions in the same securities as Clients, which may pose a conflict of interest with Clients. ACP Capital and its Advisory Representatives will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to Client trades. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of Clients) is prohibited. Should a conflict occur because of materiality (i.e., a thinly traded stock), disclosure will be made to the Client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

### **Investment Banking Activities**

During its investment banking or other activities, ACP Securities, LLC and its affiliates may acquire confidential or material non-public information. ACP Capital will not be free to divulge to clients, or to act upon, such information with respect to its management of client accounts.



There may be periods when ACP Securities, LLC or its affiliates may not be able to effect for client accounts certain types of transactions in securities of companies for which ACP Securities, LLC or its affiliates is performing investment banking or other services.

For example, during certain periods when ACP Securities, LLC is engaged in an underwriting or other distribution of securities of a company, it may be prohibited from effecting the purchase or sale of certain securities of that company for any of ACP Capital's advisory clients. In connection with its investment banking activities, ACP Securities, LLC may receive underwriting fees or other compensation from issuers of securities purchased, held, or sold in clients' accounts.

In addition, ACP Capital may be prohibited from purchasing certain securities for certain clients who are employed in the brokerage or financial services industries.

ACP Capital its affiliates, and their officers, directors, and employees may give different advice, take different action, or hold or deal in different securities for any other client or account, including ACP Capital's and ACP Securities, LLC's own accounts or those of their affiliates, from the advice that they give, action they take, or securities they hold or deal for clients' accounts. Such transactions would be based on different investment objectives.

### **Outsourced Compliance Officer**

ACP Capital has outsourced the Chief Compliance Officer (CCO) responsibilities to a third-party firm, which could create a conflict of interest if the outsourced CCO has other clients or business relationships that could impact their ability to provide unbiased compliance oversight for ACP Capital. We have taken several steps to address this potential conflict of interest, including vetting the third-party firm and implementing strict policies and procedures for our employees. Any conflicts of interest will be promptly disclosed to clients and addressed accordingly.

### **Reviews of Accounts**

Accounts are typically reviewed by the Chief Compliance Officer or designee, Esteban Endere, or Randall S. White on a periodic basis or as needed due to market conditions or transactional activity, amongst other items

### **Factors Triggering a Review**

There are no specific triggering factors leading to a review.

### **Client Reports**

With regard to the internet advisor, clients will receive at minimum quarterly statements from Interactive Brokers.

### **Client Referrals and Other Compensation**

Persons providing investment advice on behalf of our firm are registered representatives with ACP Securities, LLC., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. While we endeavor at all times to put your interests first as part of our fiduciary duty we owe, you should be aware that the receipt of additional compensation itself creates a conflict of interest.

For more information on the conflicts of interest this presents, and how we address these conflicts, please refer to our ADV Part 2 brochure.

### **Promotion Fees Paid**

The SEC's Marketing Rule 275.206(4)-1 permits ACP Capital to compensate individuals and/or entities for client referrals. Any Promoter Agreements will comply with the Investment Advisers Act of 1940 and applicable state regulations, as well as all applicable federal and state laws. Promoters are required to provide full written disclosures to prospective clients that describe the terms and fee arrangements between the adviser and the Promoter prior to or at the time of entering into the advisory agreement.

### **Financial Information**

Adviser does not require or solicit the prepayment of any advisory fees and does not have any adverse financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients. Also, the Adviser has not been the subject of a bankruptcy proceeding.