

# *Disclosure Statement*



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## Introduction

On June 30<sup>th</sup> 2020, the US Securities and Exchange Commission's ("SEC") Regulation Best Interest (Reg. BI) became effective. Reg. BI established a new set of standards that broker/dealers must comply with when dealing with retail customers. Among the new standards that Reg. BI established is the requirement for broker/dealers to provide a disclosure document to all its retail customers where it clearly states all material facts relating to the scope and terms of the relationship with any retail customer including: (i) capacity in which the broker or dealer and/or their representative(s) are acting with respect to a recommendation in your account; (ii) fees and costs that apply to transactions, holdings, and accounts; (iii) the type and scope of services provided, any material limitations on the securities or investment, including conflicts of interest, risks, and basis for recommendation.

For purposes of Reg. BI, a "retail customer" is a person, or the non-professional legal representative (i.e. non-regulated as a regulated financial services industry professional would not be deemed a "retail customer") of such person, who: (1) receives a recommendation or solicitation (i.e. reasonably could be viewed as a "call to action") to enter into a securities transaction or investment strategy involving securities from a broker, dealer, or an associated person of a broker or dealer or opening account to execute securities related transactions, and (2) "uses" the recommendation primarily for personal, family or household purposes. Furthermore, Reg. BI is only applicable to your brokerage account and relationship. Reg. BI is not applicable to investment advisory accounts.

This document is intended to provide you with the necessary and essential information regarding the scope and terms of your relationship with EFG Capital International Corp. ("EFG Capital"), including the way we are compensated and the conflicts of interest that we may have and that you should be aware of, among other important information.

## Scope of this Disclosure Statement

This document sets forth certain terms and conditions that govern the accounts, products, and services that EFG Capital provides and furthermore, describes account policies, features, and risks associated with your account and products and services provided by EFG Capital.

This document read together with other documents may be provided to you based on a specific type of account, security, investment, or service. These other types of documents include Form CRS, prospectuses, private placement memorandums and similar offering materials along with important information you will find in your account agreement/s, notices, policies, statements, trade confirmations, and similar materials.

The term "you," "your," "customer," and "account holder" when used in this document refers to the owner or joint owners of any account, the beneficial owners, and any other persons authorized to act in the account.

The term "we," "us," "firm," "our" and "EFG Capital" when used in this document refers to EFG Capital International Corp., together with all its branches, an SEC registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). Registration and Membership does not imply a certain level of skill or training.

## EFG Capital International Corp.

EFG Capital is an SEC registered broker-dealer and member of FINRA and SIPC who offers to its customers a wide range of investment products and services. EFG Capital makes its products and services available only to the institutional and retail customers and relationships that meet the general private banking market definitions. EFG Capital's retail

customers are generally high net worth individuals who have a demonstrated net worth of \$1,000,000 or more in investable assets. EFG Capital also offers various investment products and services to certain financial institutions.

Advisory and discretionary management products are offered through EFG Capital's affiliated SEC registered investment adviser, EFG Asset Management (Americas) Corp ("EFGAM"). Please see Section titled: EFG Capital and EFGAM Relationship for important information about our relationship, including any compensation and revenue sharing arrangements.

## **Your Relationship with EFG Capital**

EFG Capital offers brokerage products and services through your financial professional who are FINRA registered representatives, called Client Relationship Officers ("CRO's"). CRO's are responsible for servicing customer accounts and providing you recommendations and advice incidental to its brokerage services. When you enter into a relationship with EFG Capital, you will be opening a brokerage account<sup>1</sup>. This means that you will be able to execute securities transactions in your account. While we may provide you with investment advice in relation to your brokerage account, it will be incidental to the brokerage transactions we provide to you. As a broker or dealer, all recommendations EFG Capital provides regarding your brokerage account will be made in a broker-dealer capacity and not an investment advisory capacity. Additionally, EFG Capital does not monitor your account on a regular basis. However, at times, we may contact you to discuss your holdings and assist you in assessing if they align with your investment strategy.

## **Capacity in which your Financial Professional is Acting**

Your CRO may be a registered representative of our Broker-Dealer, a registered investment adviser representative (RIAR) of our affiliated SEC Registered Investment Adviser, or both. You can check your financial professional at [www.brokercheck.finra.org](http://www.brokercheck.finra.org) or [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which will allow you to search for your financial professional by name. Their respective profile will show you if they are a broker, investment adviser, or both and you can also find additional information about our firm.

In general, when the financial professional - the CRO, is making a recommendation to you regarding investments in your brokerage account or directly with an investment sponsor (known as "direct business"), he/she is acting in his/her capacity as a registered representative of EFG Capital, a securities broker/dealer.

When providing advice or a recommendation regarding investments in a managed account<sup>2</sup>, your professional is acting in the capacity of an investment adviser representative. Your account application or agreement will identify which type of account you have. Whenever your financial professional acts in a capacity that conflicts with this guidance, you will be notified in writing.

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<sup>1</sup> Brokerage Account – also known as a transactional account or commission-based account, is a type of account where the fee(s) paid by the client, in the form of commission, sales credit, a mark-up or mark-down, are charged on each transaction (buy or sell) that occurs in the account. These fees may be in addition to other fees applicable to the account as discussed herein.

<sup>2</sup> Managed Account – also known as a fee-based account, advisory account or wrap fee account, is a type of account where the fee(s) paid by the client are based on a percentage of billable assets under management held in the account. These fees may be in addition to other fees applicable to the account as discussed herein.

## Our Services

EFG Capital offers its customers the choice of two platforms, Pershing, LLC and EFG Bank. The EFG Bank platform provides customers three (3) different custody locations: Bahamas, Cayman, and Geneva, whereas on the Pershing, LLC platform, customers' assets are custodied in the United States. Please see below for additional information on each platform, including costs and services offered.

	EFG BANK AG - GENEVA			PERSHING
Custody Location	Bahamas	Cayman	Geneva	United States
Features	Custody of assets in an offshore location			Custody of assets in the United States
	Access to advisory products through its affiliated US registered investment adviser			Access to advisory products through its affiliated US registered investment adviser
	Transactional activity is available during US (ET) time zone			Transactional activity is available during US (ET) time zone
	Access to multiple trading counter parties under EFG Capital's open architecture			Access to multiple trading counter parties under EFG Capital's open architecture
	Online account access and transactions			Online account access and transactions
	Access to customized securities-based credit/lending facilities			Access to margin accounts
	Access to option contracts			Access to option contracts
	Access to structured products and other alternative investment products			Access to structured products and other alternative investment products
				Fully electronic account opening process

*Fees and charges for the products and services offered by EFG Capital may differ depending on the platform you select. Please see Section titled: EFG Bank, EFG Asset Management, Pershing, & Other Relationships for more information about our relationship, including any compensation and revenue sharing arrangements.*

Please bear in mind that regardless of the custody platform you choose, you will be able to effect securities transactions/trades through your EFG Capital account(s). EFG Capital may offer, solicit and sell the following general products, among others:

- Equities
- Fixed Income Products
- Exchange Traded Funds / Notes
- Structured Notes and Products
- Mutual Funds (registered and unregistered)
- Options on Securities
- Preferred Securities
- Margin accounts and other securities backed credit facilities

All recommendations we make will be done only if we reasonably believe it is in your best interest to enter into such transaction or strategy. We will determine if a recommendation is in your best interest by considering, among other factors, the following:

- Your Investment Objectives
- Your Risk Tolerance
- Your Financial Profile
- How the investment product is related to your overall investment goals
- Consistency with your stated investment strategy
- Associated fees and expenses
- Possible conflicts of interest

While we will take reasonable care in developing and making recommendations to you, securities products involve risk, are not guaranteed, and you may lose money. There is no guarantee that you will meet your investment goals, or that our recommended investment strategy will perform as anticipated. Please note that past performance is no guarantee of future results. Please consult any available offering documents for any security we recommend for a discussion of risks associated with the product and associated fees. We can make these documents available to you.

## **Material Limitations**

EFG Capital is a full-service broker-dealer which offers most account types, products, and securities; however, there may be account types, products, and securities that are not offered by the Firm.

Additionally, the financial professionals associated with our Firm are licensed to offer certain account types, products, and securities. There may be material limitations to the recommendations your financial professional provides. In some cases, based on the licensing of your financial professional, even when available through our firm or an affiliate, your financial professional might not be able to recommend a particular account type, product, and/or security. If your financial professional cannot recommend a particular account type, product, and/or security, it may be available by another financial professional at the Firm. You can check to see the licenses your financial professional holds, by visiting [www.brokercheck.finra.org](http://www.brokercheck.finra.org) or [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## Requirements for You to Open or Maintain an Account with Us

Generally, the Firm makes its products and services available only to the institutional and retail customers relationships that meet the general private banking market definitions. EFG Capital's retail customers are generally high net worth individuals who have a demonstrated net worth of \$1,000,000 or more in investable assets. However, the Firm does make exceptions to this policy on a case by case basis. It is also important to note, some products will require a minimum investment, which can be found on the investment prospectus, offering materials, or similar document.

## Our Firm's Investment Approach

EFG Capital's financial professionals use industry knowledge and experience to provide brokerage services to retail clients as well as recommend the opening or maintenance of an investment advisory account/relationship with EFGAM. The Firm seeks to understand our client's unique investment profiles and recommend investments and strategies consistent with their financial goals. However, the products and services offered by the Firm do vary and the investment philosophy, approach, risk, and objective of these investments will too. You should confirm all investment advice or recommendations are in your best interest and meet your specific objectives and risk tolerance. Where applicable, please review the prospectus or similar documents thoroughly before making an investment. You may also contact your financial professional should you have additional questions.

## Material Fees, Costs, and Associated Conflicts

EFG Capital and its financial professionals receive compensation directly from their customers or indirectly from the investments a customer makes. This compensation takes the form of an upfront commission and/or ongoing compensation, known as trailing compensation. It is important to note that the amount of compensation can change over time. In order to receive specific and up-to-date information, customers should review the respective prospectus, offering document, and other account documents including account statements and trade confirmations. Customers should discuss with their financial professional if they have any questions regarding compensation and/or conflicts of interest.

## Commissions and Sales Compensation

EFG Capital receives compensation when it buys or sells a security. This compensation may be in the form of a commission, a concession, placement fee, markup/markdown, or sales charge/load. Typically, the Firm receives the compensation and shares a certain percentage of the compensation with the financial professional. Because the amount of compensation charged can vary between different securities and products, this could create an incentive to recommend certain investments over others. It also could create an incentive to conduct a higher number of transactions. It is also important to note that the amounts below are to provide you with a high-level understanding of the amounts typically charged, but these amounts are subject to change, and you should confirm with your financial professional before making an investment decision.

- **Equity/ETF/ETN/Closed End Mutual Funds:** The Firm usually charges up to a maximum of 3% per transaction on these types of securities. The charge is subject to change depending on the circumstances and may exceed the maximum amount on certain circumstances such as low volumed transactions
- **Options:** When you purchase listed or over the counter (OTC) options you will generally pay \$100 + \$1.20 per contract.



- **Fixed Income and Bonds:** Typically, fixed income securities, such as corporate bonds, municipal bonds, and other types of fixed income securities are charged a markup or markdown<sup>3</sup>. The maximum amount charged in the form of a markup or markdown is typically 2%, but this amount may vary based on certain circumstances.
- **Mutual Funds:** The Firm may receive up to a maximum of 6% commission on mutual funds, however this amount can be reduced based on a number of factors, including breakpoints, the dollar amount invested, and the share class. The Firm also may receive trailing compensation on these investments which can vary based on the share class selected.
- **Alternative Investments:** The Firm typically receives a maximum upfront commission of 10% for the sale of alternatives investments such as hedge funds, private equity funds, real estate investment trusts (REITs), business development companies (BDCs) and private placements.
- **Structured Products:** The Firm typically receives upfront commissions as high as 3% for the sale of some structured products.
- **Unit Investment Trusts (“UITs”):** The sales charge for a UIT will vary, typically with a maximum of up to 5%. Please refer to the offering prospectus when applicable for all costs and fees associated with any product you are considering purchasing.

## Understanding Share Classes

Certain types of products such as mutual funds, usually offer multiple share classes which you choose from when making an investment. Share classes differ in the amount and way that fees are charged. The amount of upfront sales charges and trailing compensation will vary, depending on the share class selected. For example, Class A mutual fund shares typically will result in a higher upfront sales charge and lower trailing compensation, while the opposite is true for a Class C shares. In order to see a complete list of the share classes available for a particular investment and their respective costs, you should review the investment prospectus and other offering documents.

## Product Costs

Financial professionals provide recommendations with respect to a broad range of investment products, including stocks, bonds, ETFs, mutual funds, alternative investments, and more. Many investment products charge fees and costs that are separate from and in addition to the commissions and fees that the Firm and financial professionals receive. You can learn more about these fees and costs charged by an investment product by reviewing the investment product’s prospectus, offering memorandum, or other disclosure documents.

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<sup>3</sup> A markup/markdown is akin to a commission and is shown on the trade confirmation as a markup or markdown in the price of the specified security in place of a dollar amount. When the Firm buys from or sells a security to you in a principal capacity, the Firm buys or sells the security directly from you, rather than acting as your agent to buy or sell the security from a third party. These transactions are also known as “dealer transactions.” In these circumstances, if we sell a security at a price higher than what we paid for it, we will earn a markup. Conversely, if we buy a security from you at a price lower than what we sell it for, we will earn a markdown. Transactions in bonds and other fixed-income securities such as structured products often occur as dealer transactions.

## Account Fees

In addition to the commissions and sales charges described above, customers can also be charged direct fees and charges for miscellaneous account services such as wire transfers, inactivity fees, account transfers (ACAT), error corrections, and account maintenance. These fees are typically charged by the clearing firm where your assets are custodied and some of these fees may be shared with the Firm. For a complete list of these charges and fees you should review your account agreement and fee schedule. You should also discuss these charges with your financial professional if you have any questions.

## Additional Compensation from Third Parties

In addition to the commissions and sales compensation described above, the Firm and your investment professional may receive additional compensation from third parties. This additional compensation may incentivize your financial professional to recommend certain investments over others. It is important to note that the amount of compensation may vary between security types and product/investment sponsors. In order to receive specific and the most up-to-date information, customers should review the respective prospectus, offering document, and/or transaction confirmations.

- **Other Trailing Compensation:** The Firm may receive trailing compensation, including 12b-1 fees, which are paid from certain investment sponsors for mutual funds and alternative investments. The amount can vary based on the product and total amount invested. For mutual funds, the maximum amount is typically 1%, while annuities and alternative investments can be as high as 2%.
- **Mutual Fund Concessions and Finder's Fees:** The Firm may receive additional compensation known as concessions or finder's fees from a mutual fund company, often in cases where the sales charge is waived based on certain criteria. This amount can vary, but the maximum amount is typically 1% of the transaction. The Firm also receives concessions from investment sponsors for other types of investments. These concessions vary from product to product and are generally shared between the Firm and the financial professional.
- **Network Agreements:** The Firm may receive additional compensation based on the total assets invested in a particular investment.
- **Product Onboarding:** The Firm may receive onboarding fees or reimbursement for certain expenses associated with product onboarding, including due diligence. These payments can be fixed or a percentage of the total value of an offering.
- **Non-Cash Compensation and Marketing:** The Firm and its employees may periodically receive compensation that is not transaction based from investment sponsors. This includes entertainment such as sporting event tickets, costs associated with lunch or dinner, small gifts valued at no more than \$100, or marketing fees for workshops, events, and advertising. Some investment sponsors may contribute to conferences, seminars, marketing and/or meals.
- **Cash Sweeps:** The Firm receives compensation when a cash balance is moved to a particular fund or account from which the Firm generates additional compensation.
- **Securities Lending:** The Firm along with the customer, may receive a fee for securities lent to the clearing firm as part of a securities lending agreement.
- **Margin or Portfolio Line of Credit:** When a customer utilizes margin or a portfolio line of credit, the Firm receive a percentage of the balance lent.
- **Payment for Order Flow:** The Firm may receive remuneration for directing orders in securities to particular market centers for execution. The Account Holder understands that this remuneration, known as "payment for order flow," is considered compensation to the Firm.

## Additional Conflicts of Interests

- **Gifts and Entertainment:** A conflict of interest may arise when a financial professional receives or offers a gift, entertainment, or anything of value that could create an incentive for an employee, third party service provider, or a client to act in a certain way.
- **Shared Revenues and Payments from Third Parties:** We receive shared revenue, fees, and/or payments from our clearing firm, investment sponsors, and other third parties. This creates an incentive to offer or recommend certain products and services.
- **Proprietary Trading:** Our affiliates may engage in trading activities for its own account or client accounts while other clients are active in the same security at the same time. In such cases the Firm may be incentivized to maximize its returns which could result in certain trades being unfavorable to the performance of your account.
- **Acting in Principal Capacities:** The Firm may earn a profit from buying and selling investments from our own accounts therefore the Firm may have an incentive if you trade on a principal basis.
- **Multiple Roles:** The Firm or its affiliates may perform multiple roles with respect to a client or transaction (e.g., advisor, lender, broker, riskless principal, counterparty). These roles mean we might be biased regarding the services we recommend as they relate to these roles.
- **Outside Business Activities:** If approved, financial professionals may engage in certain outside business activities or “OBA’s”. There may be instances where the OBA from your financial professional is with an affiliate of EFG Capital, such as EFGAM. In other instances, they may not be with an affiliate. You should be aware that due to the nature of some OBA’s, there may be times that your financial professional’s OBA may present a conflict with their recommendation, solicitation of products, solicitation of accounts and other services we may be providing you. As a result, your financial professional may be incentivized to recommend certain products or services outside the scope of their relationship with the Firm and they may benefit financially from these recommendations. Under US securities rules and regulations, financial professionals or your CROs must disclose and make public all OBA’s, including the nature and time dedicated to the business. Because each scenario will be unique to you and your relationship with your financial professional, we encourage you to review your financial professional’s [BrokerCheck Report](https://brokercheck.finra.org/) (<https://brokercheck.finra.org/>). There, you will gain access to all material disclosures relevant to your financial professional, including any OBA they may have. In addition, your financial professional may engage in personal trading which could conflict with a client or with the Firm.
- **Political and Charitable Contributions:** The Firm and/or its financial professionals’ may make charitable and/or political donations that could create the perception that the Firm or financial professional is seeking a quid pro quo from the recipient of the donation.
- **Confidentiality:** The Firm and its financial professionals are periodically exposed to confidential information which may benefit us or a client.
- **Supervision Conflicts:** When a manager is also a producing financial professional, he/she could be incentivized to spend more time on revenue generating activities than supervision activities. In addition, a conflict also exist as a portion of the supervisor’s compensation is determined by the production of his/her subordinates.
- **Affiliated Entities:** The Firm is affiliated with other financial services entities. The Firm and client's investment professional are incentivized to refer customers to all of these affiliates as it usually generates additional compensation for the firm and investment professional, directly, or through the enterprise.

## Understanding Risk

EFG Capital does not provide tax, legal or accounting advice. Accordingly, we encourage each customer to consult their own personal tax, legal and/or accounting advisers in order to understand the potential consequences associated with a particular investment strategy.

Investing in securities involves risk of loss that customers should be prepared to bear. Different types of investments involve varying degrees of risk and there can be no assurance that any specific investment or investment strategy will be profitable for a customer's investment portfolio. Past performance is not indicative of future results. A customer should not assume that the future performance of any specific investment, investment strategy, or product will be profitable or equal to past or current performance levels. We cannot assure that the investment objectives of any client will be realized. The following is a non-exhaustive list of risks associated with investing. For additional product-specific risks, customers should review their prospectus, offering document, or similar materials and consider them carefully prior to making an investment decision.

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial/Credit Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value of securities.
- **Third Party Manager Risk:** Third Party portfolio managers (TPM) typically have full discretion as to how manage the model portfolio based on the objective of the model. Such discretion increases the risk that the TPM may mismanage the portfolio and client's assets which may result in client's loss.

## EFG Capital and EFGAM

As we stated above, EFG Capital is affiliated with EFGAM, an SEC registered investment adviser. During your relationship with EFG Capital, we may solicit or recommend that you open or maintain an investment advisory or

discretionary account/relationship with EFGAM. We will do so only if we believe that having an account with EFGAM is in your best interest.

Currently, EFGAM is the only investment adviser through which EFG Capital offers investment advisory and discretionary products and services. Accordingly, due to the exclusive nature of our relationship with EFGAM, you may not be able to avail yourself to different investment advisory products or services that may be available in the marketplace. This may change in the future and if it does, we will notify you.

EFG Capital has a solicitor's agreement with EFGAM. In practical terms, a solicitor's agreement is similar to a referral agreement where if you open and maintain an account with EFGAM, EFG Capital and your financial professional will get compensated. Typically, the compensation will be a percentage of the fee EFGAM charges you and will continue throughout the life of your EFGAM account/relationship. Please note that this does not mean that you will be charged more – it means that EFGAM will be sharing a portion of the fees it would otherwise receive. Prior to opening an EFGAM account, EFGAM will disclose all of the details around the solicitation agreement and the compensation to be shared. We will ask that you acknowledge and agree to the compensation arrangement.

It is important that you are aware that because we act as a solicitor, we will not be providing you with investment advice for your EFGAM account. The investment advice you will receive as a result of your relationship with EFGAM will be provided by EFGAM's Registered Investment Advisory Representatives ("RIAR") and/or Portfolio Managers. While we generally operate with EFGAM under a solicitor's agreement framework, certain financial professionals may be licensed Registered Investment Advisory Representatives (RIAR) under EFGAM. Please be aware, that when this occurs both your brokerage and your advisory relationship may be managed by the same person. Your financial professional will disclose to you if and when they are acting in the capacity of a RIAR for EFGAM. Additionally, your financial professional will disclose to you when they are providing you investment advice relating to your EFGAM account, so that you are able to evaluate and understand the context of any recommendation.

If you decide to open an account with EFGAM, you will be required to complete account opening agreements and forms for such EFGAM account. In addition, your financial professional will be compensated differently as further detailed below. Generally, in a brokerage account, your financial professional is compensated on a transactional basis, along with other forms of revenue sharing. This means that your financial professional will generate revenue (commission or sales credits) every time you execute a transaction. Whereas in an advisory account relationship, such as the one you may open with EFGAM, your financial professional will generally be compensated as a solicitor and share a percentage of the fee EFGAM charges you, based on the assets under management in the account. You will be made aware of this so that you can evaluate and determine which account provides you with better products, services and is more cost effective for you. For more information on EFG Capital's and your financial professional's compensation arrangements please read below. We also encourage that you review EFGAM's Form ADV and related brochures to obtain important information and understand potential conflicts of interest prior to opening an advisory relationship with EFGAM. You may find these at (<https://adviserinfo.sec.gov/>).

We also encourage you to search the name of your financial professional on the SEC's Investment Adviser Public Disclosure Website (<https://adviserinfo.sec.gov/>).

## **Business Continuity Plan Summary Notice**

Pursuant to FINRA and SEC regulations, EFG Capital has implemented a Business Continuity Plan ("BCP") in place to prepare for the possibility of future significant business disruptions ("SBD") ranging in severity from a firm only disruption to a regional disruption. EFG Capital's recovery time from an SBD will depend on the severity and significance of the event. You may contact EFG Capital's Compliance Department to obtain a copy of the firm's BCP plan at:

**EFG Capital International Corp.**  
**Attn: Compliance Department**  
**701 Brickell Avenue, 9th floor**  
**Miami, Florida 33131**  
**regulatory@efgcapital.com**

**Plan Summary:** EFG Capital has designated several offsite physical locations where it will move a core team of employees to continue to conduct business in the event of an SBD. In the event of a catastrophic failure on a scale up to and including a city-wide disruption, EFG Capital will continue business operations from these facilities. Customers may continue to contact us at 1-800-334-9216.

**Contacting Us & Your Custodian:** EFG Capital does not maintain custody of customer funds or securities, which are maintained at our custodian firms. If after an SBD you cannot contact us at (305) 482-8000 (which will redirect you to our Emergency Phone Switchboard), or your Client Relationship Officer (“CRO”), you should contact your custodian firm(s):

- **For Pershing, LLC Platform:** Contact Pershing, LLC (“Pershing”), a wholly owned subsidiary of The Bank of New York Mellon Corp., directly to process limited trade related transactions, cash disbursements, security transfers, and other account related activity or request account related information. Instructions to Pershing must be in writing and transmitted via facsimile at (201) 413-5368 or by postal service as follows:

Pershing LLC  
P.O. Box 2065  
Jersey City, NJ 07303-2065

- **For EFG Bank - Geneva Platform:** Contact EFG Bank AG (“EFG GVA”), at +41 22-918-7171 for instructions on trade orders, check, wire requests, securities transfers, and other account related activity or request account related information.
- **For EFG Bank - Bahamas Platform:** Contact EFG Bank & Trust (Bahamas) Ltd (“EFG Bahamas”), at +242- 502-5400 for instructions on trade orders, check, wire requests, securities transfers, and other account related activity or request account related information.
- **For EFG Bank - Cayman Platform:** Contact EFG Bank (“EFG Cayman”), at +345-943-3350 for instructions on trade orders, check, wire requests, securities transfers, and other account related activity or request account related information.

(together, EFG GVA, EFG Bahamas, and EFG Cayman are herein together referred to as “EFG Bank”)

## **SIPC Information**

EFG Capital is a member of SIPC. For information on coverage or to receive the SIPC brochure, please contact SIPC at:

www.sipc.org.  
Telephone number: (202) 371-8300.  
Email: [asksipc@sipc.org](mailto:asksipc@sipc.org)

Although EFG Capital is a member of SIPC, the securities and cash held in your custodial account at EFG GVA, EFG Bahamas, and EFG Cayman are not protected by SIPC, any governmental agency, or any other coverage applicable to EFG Capital. Please contact your financial professional at EFG Capital for further information.



# Identification Program Notice

## Important Information About Opening an Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask (if applicable) for your name, address, date of birth, taxpayer identification number, driver's license social security number, employer identification number, passport number and country of issuance, alien identification number, government issued identification (demonstrating nationality, residence and which includes a picture of you), employment status (including, occupation, and whether you are an associated person of a broker-dealer), annual income, net worth (excluding primary residence), source of wealth, investment objectives, investment experience, risk profile, and any other information that will allow us to identify or properly profile you.

A corporation, partnership, trust or other legal entity customer may be required to provide additional information, such as its beneficial owners, control persons, principal place of business, local office, employer identification number, certified articles of incorporation, government issued business license, certificate of good standing, a partnership agreement, or a trust agreement.

### What happens if I don't provide the information requested or my identity can't be verified?

We may not be able to open an account or carry out transactions for you. If we have already opened an account for you, we may have to restrict, block or close such account.

## Specified Adult

"Specified Adult" investors are of great concern to the industry; therefore, FINRA has taken additional measures to provide firms with the tools to respond more quickly and effectively to protect specified adults from financial exploitation.

The term "Specified Adult" shall mean: (A) a natural person age 65 and older; or (B) a natural person age 18 and older who the member reasonably believes has a mental or physical impairment that renders the individual unable to protect his or her own interests.

The term "financial exploitation" means: (A) the wrongful or unauthorized taking, withholding, appropriation, or use of a Specified Adult's funds or securities; or (B) any act or omission by a person, including through the use of a power of attorney, guardianship, or any other authority regarding a Specified Adult, to: (i) obtain control, through deception, intimidation or undue influence, over the Specified Adult's money, assets or property; or (ii) convert the Specified Adult's money, assets or property.

### FINRA Rule 2165

The rule permits FINRA member firms to place a temporary hold on a disbursement of funds or securities from the account of a Specified Adult when the member firm reasonably believes that financial exploitation has occurred, is occurring, has been attempted, or will be attempted and to notify all parties authorized to transact for the customer, including the trusted contact person.

### FINRA Rule 4512

Firms are required to make reasonable efforts to obtain the name of and contact information for a trusted contact person for a customer's retail account.

FAQs that provide further guidance can be accessed by utilizing the following link:

<http://www.finra.org/industry/frequently-asked-questions-regarding-finra-rules-relating-financial-exploitation-seniors>

The FINRA Securities Help line for Seniors is a toll-free number established for senior investors to call to get assistance or raise concerns about issues with brokerage accounts and investments. The number is (844) 57-HELPS (844) 574-3577.

## Anti-Corruption and Anti-Bribery Practices

EFG Capital and their employees, agents, officers and directors are obligated to comply with the applicable provisions of the U.S. Foreign Corrupt Practices Act (“FCPA”) and the UK Bribery Act with respect to activities and services in the United States and offshore. The FCPA and UK Bribery Act are designed to prevent persons from acting corruptly (i) in furtherance of an offer, payment or promise to pay, (ii) by giving anything of value to officials of a foreign government, public international organization or foreign political party (together “Foreign Public Entities”), or (iii) giving anything of value to any person, with the knowledge or belief that it will go to an individual associated with a Foreign Public Entity, for purposes of influencing official acts (including failures to act) that include obtaining or retaining business or securing any improper advantage.

In this regard, EFG Capital nor any of its officers, directors, employees, agents or other representatives engages in the following actions, or receive any compensation related thereto:

- Pay, offer or promise to pay, or authorize the payment of, any money or anything else of value, either directly or through a third-party, to any Foreign Public Entities or other official or employee of any governmental authority/instrumentality or public international organization (or of any agency or subdivision thereof), or to any political party or official thereof, or to any candidate for political office, for the purpose of:
  - Influencing any act or decision of that person in his official capacity, including a decision to fail to perform his official functions with such Foreign Public Entity, governmental agency or instrumentality or such public international organization or such political party;
  - Inducing such person to use his influence with such Foreign Public Entity, governmental agency or instrumentality or such public international organization or such political party to affect or influence any act or decision thereof; or
  - Securing any improper advantage
- Give, promise to give, or authorize the giving of, any services, either directly or through a third party, to any official or employee of any Foreign Public Entities or other governmental authority/instrumentality or public international organization (or of any agency or subdivision thereof), or to any political party or official thereof, or to any candidate for political office, for the purpose of:
  - Influencing any act or decision of that person in his official capacity, including a decision to fail to perform his official functions with such Foreign Public Entity, governmental agency or instrumentality or such public international organization or such political party;
  - Inducing such person to use his influence with such Foreign Public Entity, governmental agency or instrumentality or such public international organization or such political party to affect or influence any act or decision thereof; or
  - Securing any improper advantage.

In addition to the foregoing, EFG Capital and their employees, officers, directors, agents or other representatives are obligated to avoid even the appearance of impropriety in the course of its activities.



## Tax Compliance – Duty of Declaration

EFG Capital stresses that it is the responsibility of the account holder to assess their legal obligations relevant to accounts and transactions concerning EFG Capital.

In cases where the account holder is affected by an international agreement relating to any and all taxes such as, but not limited to, taxation of savings income, taxation of any capital gain, taxation of wealth, and/or taxation of the asset held in his account in case of decease (herein referred to as the "Taxes") EFG Capital shall, in its capacity as paying agent or in any other capacity, levy the Taxes or transmit any required information pertaining to the account holder to the relevant authorities in accordance with the relevant international tax agreement. The account holder understands that pursuant to certain bi- and multilateral conventions, treaties, and agreements, such as double taxation treaties, to which the United States is or will become a party, some confidential data and information such as the name of the account holder and/or the name of the beneficial owner may, upon request from any relevant authority, be disclosed by EFG Capital to such authority. In all respects, the account holder fully and exclusively assumes all the inherent risks of his personal situation regarding any tax agreements that the United States may enter into.

The account holder, who undertakes to inform the beneficial owner accordingly, understands that EFG Capital has no responsibility whatsoever in respect of the account holders or beneficial owners tax obligations, and that the account holder and the beneficial owner are solely responsible for understanding and complying with their tax obligations (including, but not limited to, tax payments or filing of returns or other required documentation relating to the payment of all relevant taxes) in all jurisdiction in which those obligations arise and as they relate to the opening and use of the account within EFG Capital and/or the services provided by EFG Capital. The account holder understands that certain countries may have tax legislation with extra-territorial effect regardless of the account holder(s) or beneficial owner(s) place of domicile, residence, citizenship or incorporation. The account holder understands that non-compliance with any such tax obligations and/or relevant tax legislation may result in the payment of penalties and fines and may also result in criminal proceedings under the applicable laws of any jurisdiction in which the account holder has such obligations. EFG Capital is not obligated to ensure the account holder's compliance with tax obligations but reserves the right to require the account holder to produce such documentation as EFG Capital deems appropriate for the purpose of verifying that the account holder is tax compliant. If the account holder fails to provide the requested information, EFG Capital reserves the right to cease the provision of any or all of its services and may refuse to execute instructions on behalf of the account holder. The account holder understands that EFG Capital does not and will not provide assistance to the account holder with the unlawful evasion of any tax obligation, and furthermore, EFG Capital will not be held liable and the account holder will indemnify and hold EFG Capital (and its affiliates their respective directors, officers, employees, and agents) harmless for any failure on the part of the account holder to comply with any applicable tax obligations.

The account holder further undertakes to notify EFG Capital of any change in his and/or the beneficial owner's domicile/place of incorporation or fiscal status.

***EFG Capital does not provide any tax or legal advice.***

## Order Routing Practices

SEC Rule 606 of Regulation NMS requires all broker dealers to make publicly available quarterly reports, broken down by calendar month, a report on the broker dealer's practices for routing orders for transactions in different kinds of securities to certain venues for execution when the customer has not otherwise directed the broker dealer to route the customer's order to a particular venue (i.e. non-directed orders).

Upon request of a customer that places “not-held orders,” EFG will provide specific disclosures, for the prior six months, regarding routing and execution of such orders.

With respect to accounts at Pershing and subject to best execution requirements, EFG Capital has selected Pershing, as its executing broker for equity orders. For non-directed orders, Pershing selects the execution venue on behalf of EFG Capital’s customers.

With respect to accounts at EFG Bank and subject to best execution requirements, EFG Capital has selected Credit Suisse Securities (USA) LLC (“Credit Suisse”), as its executing broker for equity orders. For non-directed orders, Credit Suisse selects the execution venue on behalf of EFG Capital’s customers.

IHS Markit Ltd. prepares reports showing the different order routing venues. The reports are typically divided in four separate sections for securities listed or qualified for inclusion on the New York Stock Exchange, Inc., the Nasdaq Stock Market, Inc., the American Stock Exchange LLC or any other national securities exchange, and exchange-listed options. For each section, this report identifies the venues most often selected for execution, provides the percentage of various types of orders (e.g. market orders, limit orders, etc.) routed to such venues for execution, and describes any material relationship or arrangement with each venue. This information can be found in the following links:

**Accounts at EFG Bank:**

Reports prior to 2020: <https://vrs.vista-one-solutions.com/sec606rule.aspx>

Reports 2020 and onward: <https://mta.ihsmarkit.com/app-v2/public-report-library/public-report-library-view/EFG%20Capital%20International%20Corp/370>

**Accounts at Pershing:** <https://www.orderroutingdisclosure.com>

To retrieve this information on Pershing, please enter “EFG Capital International Corp.”

SEC Rule 606 further requires a broker dealer to disclose to its customers, upon request, the venues where orders were routed for execution during the previous six months (whether directed orders or non-directed orders) and the time of any transaction that resulted from such orders (if any).

Customers who would like a paper copy of the reports may request a copy in a letter addressed to:

**EFG Capital International Corp.**

**Attn: Compliance Department**

**701 Brickell Avenue, 9th floor**

**Miami, Florida 33131**

For those customers that transact in fixed income and other debt securities, EFG Capital may choose, subject to best execution requirements, any broker-dealer or counterparty, including affiliates, through which to execute the customer’s transaction. In selecting such broker-dealer or counterparty, EFG Capital will consider, among other things, the execution capabilities, reputation, and access to the markets for the investment products being traded.

For those customers that transact in securities denominated in a foreign currency, EFG Capital may convert amounts incident to or derived from such transactions into United States dollars or any other reference currency using the general market quotations at the time of the transaction. Such transactions may be subject to foreign exchange fees and spreads.

## **Accounts Introduced by Third Parties**

For those customers who have accounts with EFG Capital that were introduced by a third-party, consistent and in accordance with applicable law, please be informed that in consideration for the referral of your business, EFG Capital will pay the introducer a portion of the revenues or fees derived from your account.

Pursuant to the terms of a carrying agreement between EFG Capital and a third-party adviser, for those customers that are provided services by EFG Capital and the third-party adviser, EFG Capital will retain a portion of the revenues or fees derived from such account and pay the remainder of the revenues or fees derived from such account to the third-party adviser.

To the extent you would like more information, please contact your financial professional.

## **Mark-up/Mark-down Disclosure**

FINRA member broker dealers, such as EFG Capital, are required to execute security transactions (all buys and sells) on behalf of customers at fair and reasonable prices. Fair security prices are the result of various factors which include but are not limited to:

- Market conditions
- Type of security involved in the transactions
- Availability of the security in the market
- Liquidity of the security in the market
- Our profit and expense ratio relevant to the transaction

Pursuant to FINRA Rule 2232, EFG Capital has implemented the disclosure of mark-ups and mark-downs on TRACE (Trade Reporting and Compliance Engine) eligible corporate and agency debt security trades for non-institutional customers. Effective May 14, 2018, trade confirmations relevant to corporate and agency debt securities reflect any mark-ups and mark-downs expressed as a total dollar amount and as a percentage of the prevailing market price.

Trade confirmations will also include (i) a reference to a web page hosted by FINRA that will display the TRACE publicly available trading data for the security that was traded; and (ii) the execution time of the transaction, expressed to the second. This rule is not applicable to institutional accounts.

For detailed information on specific debt securities please visit: <http://bondfacts.finra.org>

## **Privacy Policy**

The privacy of our customers is important to us. EFG Capital understands the importance its customers place on the privacy and security of information that personally identifies you or your account. That is why EFG Capital is committed to maintaining the confidentiality, integrity and security of its customers' personal information. EFG Capital's relationship with its customers is its most valuable asset, and in a continued effort to maintain our customers' trust and confidence, we would like the customers to be aware of our policy to protect the confidentiality and security of their personal information. This policy covers personally identifiable information about current, former, and prospective customers.

In accordance with applicable law, EFG Capital may use, process, and share personal information about you with EFG group companies and affiliates and other third parties to service and maintain your account (including, providing technical support), safeguard your account, process transactions in your accounts, respond to inquiries from you or your representatives, provide or facilitate products and services, fulfill any legal or regulatory requirements and obligations under the laws of the United States or that may apply to any other company of the EFG group or any service provider, manage risk or fulfill obligations to implement and maintain consolidated supervision and standards when establishing or maintaining business relationships, or otherwise operate our business or any other purpose that complies with applicable laws and regulations.

In accordance with applicable law, EFG Capital may also use, process, and share personal information with EFG group companies and affiliates for direct marketing purposes (unless you have instructed us otherwise). If you elect to limit information sharing, we will limit our affiliates' use of such personal information for direct marketing purposes. However, such election will not apply to any EFG group company or affiliate that has an existing business relationship with you or where the use is otherwise permitted by applicable law. You may contact EFG Capital's Compliance Department to obtain further information regarding EFG Capital's privacy policy.

EFG Capital maintains an internal "Do Not Call List." Do Not Call requests will be honored within 31 days and will be effective for at least 5 years from the date of the request. No marketing calls will be made to the numbers on our Do Not Call List. You may elect to be placed on this list at any time by contacting EFG's Compliance Department.

**FOR CALIFORNIA RESIDENTS:** Except as permitted by California law, or otherwise required to be disclosed under applicable law, EFG Capital will not share nonpublic personal information about its California resident customers or former customers with its affiliates or non-affiliated third-parties unless necessary to effect, enforce and administer any transactions requested or authorized by the customer, and to provide or facilitate products and services.

**FOR NEVADA RESIDENTS ONLY:** This notice is being provided pursuant to Nevada law. Nevada residents may elect to be placed on EFG's "Do Not Call List" by contacting EFG's Compliance Department. You may also contact the Nevada Office of the Attorney General to obtain further information regarding telephone solicitation practices for Nevada Residents.

**EFG Capital International Corp.**  
**Attn: Compliance Department:**  
**701 Brickell Avenue, 9th Floor, Miami, Florida 33131,**  
**Email: [regulatory@efgcapital.com](mailto:regulatory@efgcapital.com)**

### **Collection of Information**

EFG Capital limits the collection and use of personal information to what is necessary to service and maintain your account (including, providing technical support), safeguard your account, process transactions in your accounts, respond to inquiries from you or your representatives, provide or facilitate products and services, fulfill any legal or regulatory requirements and obligations under the laws of the United States or that may apply to any other company of the EFG group or any service provider, manage risk or fulfill obligations to implement and maintain consolidated supervision and standards when establishing or maintaining business relationships, or otherwise administer EFG Capital's business. Customer information collected by EFG Capital is limited to information the customer provides on account opening documents, applications, or other forms, information about customer transactions and the customer's experience with EFG Capital, its affiliates or others, information from a consumer reporting agency, such as information about customer's creditworthiness or credit history, information from other outside sources regarding their employment history, family members, or other relationships, and representations and statements made by the customer

### **Protecting Information**

Keeping financial information secure is one of EFG Capital's most important responsibilities. EFG Capital will safeguard, according to strict standards of security and confidentiality (in no event less than as required by applicable law), any information its customers share or disclose to EFG Capital. All of EFG's Capital's employees, officers, directors, and agents are subject to a strict policy requiring confidential treatment of customer information, are trained in the proper handling of customer information, and are subject to disciplinary action if they fail to follow such policy.

EFG Capital also maintains physical, electronic and procedural safeguards to protect its customers' personal information. EFG Capital continually assesses new technology for protecting information and upgrading its systems.

## **Sharing Information**

EFG Capital does not share or disclose any of its customers or former customers personal information to anyone outside of the EFG group (this includes marketers and non-affiliated third parties) except as may be necessary to service and maintain your account (including, providing technical support), safeguard your account, process transactions in your accounts, respond to inquiries from you or your representatives, provide or facilitate products and services, fulfill any legal or regulatory requirements and obligations under the laws of the United States or that may apply to any other company of the EFG group or any service provider, or otherwise administer EFG Capital's business. Accordingly, customer or former customer personal information may be transferred and maintained in and outside of the United States in jurisdictions where laws may be less stringent than in your country of origin. Specifically, EFG Capital is authorized to:

- contact the trusted contact person and disclose information about the customer's account to address possible financial exploitation, to confirm the specifics of the customer's current contact information, health status, or the identity of any legal guardian, executor, trustee or holder of a power of attorney, or as otherwise permitted by applicable law.
- disclose and share all of the information that it collects as described above among the EFG group, which includes EFG's ultimate parent company, EFG International AG, and its subsidiaries, as well as with attorneys, accountants and other advisors on a need-to-know basis (including, but not limited to, to manage risks or fulfill obligations to implement and maintain consolidated supervision and standards when establishing or maintaining business relationships).
- disclose or report personal information to non-affiliated third parties as permitted by law, to perform necessary credit checks or collect or report debts owed to EFG Capital, to protect EFG Capital's rights or property, or to otherwise administer EFG Capital's business.
- disclose or report any personal information it collects to government agencies, self-regulatory organizations, and regulatory authorities to comply with any applicable legal or regulatory obligation under the laws of the United States or that may apply to any other company of the EFG group or any service provider.
- disclose or report personal information as part of a sale, merger, re-organization or similar change of an EFG business.
- disclose or report information to Pershing and EFG Bank, EFG Capital's settlement and custodial firms, as permitted by law.

On occasion, EFG Capital employs or contracts individuals and companies to provide support services. These companies may include, among others, payment processing companies, data processing companies, courier and mailing services, record storage companies (digital and physical), consultants, and other service providers. These individuals and companies might assist EFG Capital in servicing the account, including but not limited to, fulfilling the customers' service requests, processing transactions, or mailing account statements, among other services. All of these companies are contractually obligated to keep the information that EFG Capital provides to them strictly confidential, and to use such information only to the extent required to provide or facilitate the products and services.

## **Making sure Information is Accurate**

Keeping your account information accurate and up to date is very important. If you ever find that your account information is incomplete, inaccurate or not current, you should notify us immediately. EFG Capital will promptly update or correct any erroneous information.

## **Keeping our Privacy Policy up to date**

EFG Capital will continuously assess itself to ensure that customers' privacy is respected. Additionally, EFG Capital provides its privacy policy to its customers on an annual basis. The customer can always review EFG Capital's current policy notice on its website or by contacting EFG Capital for a copy.

## **Recording of Telephone, Videoconference or Digital Communications**

The account holder understands that EFG Capital and all of its directors, officers, employees, and agents will record telephone and/or video conferences, electronic communications (such as emails, SMS, or chat) and any other means of communications in which such individual participates. The account holder understands that the account holder has waived any objection to the introduction of any recording in evidence in connection with any controversy involving the account holder or the account.

The account holder further understands that EFG Capital may maintain and store such communications with various third-party service providers. Although such third-party service providers maintain controls and security measures in order to safeguard and maintain the confidentiality of all stored communications, EFG Capital will promptly notify you of any breach that could result in your data and information being compromised.

## **E-Document Delivery**

For your convenience, EFG Capital provides account documentation electronically, including statements and portfolio valuations, confirmations and advices, EFGAM performance reports, margin call notices, tax documents, proxy solicitations, prospectuses, regulatory notices and disclosures, as well as other communications and documents (the "Account Documents"). These Account Documents would otherwise be sent in paper form to your mailing address on file.

Upon electing electronic delivery of the Account Documents, you will no longer receive paper copies of such documents. Any document delivered electronically will contain the same information as the paper version. Electronic delivery means that your Account Documents will be available to you when you log into your EFG eBanking or NetXinvestor online account ("On-line Account"). EFG Capital may also make available certain notices and disclosures via its website (the "Site").

At any time, you may request a paper copy of any Account Documents or correspondence received via your On-line Account or the Site. You may also change the delivery method from electronic delivery to paper form at any time by contacting your Client Relationship Officer, provided EFG Capital, EFG Bank, EFGAM and/or Pershing have a reasonable period of time to act on it. EFG Capital, EFG Bank, EFGAM, and/or Pershing may impose a fee and pass along any costs and charges related to mailing paper documents to you.

You understand and acknowledge that upon electing electronic delivery (i) EFG Capital reserves the right at any time to send any Account Documents to your last known address; (ii) EFG Capital also reserves the right to post certain Account Documents via the Site without providing prior notice to you; (iii) all Account Documents made available via your On-line Account or otherwise through the Site will be deemed proper and effective delivery to you, regardless of whether it was actually or timely accessed; and (iv) if EFG Capital believes that you are not receiving or accessing electronically delivered Account Documents, EFG Capital may discontinue electronic delivery and provide delivery to your last known address or other means deemed appropriate.

You further understand and acknowledge that (i) the Account Documents will be made available by accessing the Site and your On-line Account, and you hereby direct EFG Capital to transmit your account information to its affiliates, Pershing, or any other third party for this purpose; (ii) account information and data (e.g. username, password, etc.) may reside on a third party service provider's computer and information systems for purposes of making Account Documents available to you electronically; (iii) there are certain security, corruption, transmission errors, and access availability risks associated with open networks (e.g. Internet) and as such, Internet-based delivery and communication may be unreliable and is not secure and may be intercepted by third parties; (iv) you are solely responsible for the confidentiality and use of your username, password, and On-line Account; (v) EFG Capital is not responsible for any loss relating to your use, or the use by anyone to whom you grant access; and (vi) the use and storage of any information, including portfolio information, is at your sole risk and responsibility and EFG Capital makes no representations or warranties, express or implied, regarding account information or the access, speed or availability of Internet or network services.



Lastly, you understand that (i) there is currently no charge for any electronic delivery service and EFG Capital, EFG Bank, EFGAM and/or Pershing will notify you if it intends to charge for this service in the future; however you may incur costs associated with electronic access to documents, such as usage charges from an Internet access provider and/or telephone company; (ii) you must have an e-mail account and access to an Internet browser; (iii) in order to view any Account Documents or other correspondence you must download Adobe Acrobat Reader® (Acrobat® software is available for download free of charge at <http://www.adobe.com/products/acrobat/readstep2.html?promoid=BUIGO>); (iv) if you wish to print documents, you must have access to a printer; and (v) internet-based communication is not secure from access by third parties and accordingly users accept the risk that any internet communication may be intercepted or may fail to be received.

Notwithstanding the above, EFG Capital, EFG Bank, EFGAM and Pershing reserve the right, at their sole and absolute discretion, to dispatch any notice, disclosure, statement of account, confirmation and/or any other correspondence to the account holder's last known address or other means deemed appropriate.

## Consent to Electronic Signature

The account holder acknowledges that their use of a mouse, or any other means to select an item, button, or icon constitutes their signature, acceptance and agreement as if actually signed in paper form ("E-Signature").

The account holder understands that the account holder's E-Signature on any account applications and other account opening documents (including, but not limited to, this agreement), or any other agreements, authorizations, applications, or other documents that are required to be signed or accepted by the account holder constitutes the account holder's signature, acceptance, acknowledgment and agreement.

The account holder should print a copy for their records immediately after E-Signature as a paper version will not be distributed unless the account holder contacts EFG Capital and requests a paper version (subject to any fee imposed by EFG Capital). If the account holder would like to receive a true and exact copy of the signed record as maintained by EFG Capital, the account holder may contact EFG Capital (at any time) and receive a copy (subject to any fee imposed by EFG Capital).

The account holder understands that at any time prior to submitting the E-Signature, the account holder has the right to withdraw consent to E-Signature and/or request a paper version. The account holder understands that EFG Capital reserves the right to restrict or terminate the relationship if the account holder withdraws their consent. Furthermore, the account holder understands that regardless of the withdrawn consent, any record that had been previously submitted with an E-Signature will continue to be in full force and effect.

To withdraw consent, request a paper version and/or to update your email address or other contact information, please contact EFG Capital.

### Required hardware and software\*

Operating System:	Windows® 2000, Windows® XP, Windows® Vista; Mac OSX®
Browsers:	Final release version of Internet Explorer® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safari™ 3.0 or above (Mac only)
PDF Reader:	Acrobat® or similar software may be required to view and print PDF files.

Screen Resolution:	800 x 600 minimum
Enabled Security Settings	Allow per session cookies

\*These minimum requirements are subject to change. If these requirements change, the account holder will be asked to re-accept this disclosure. Pre-release (e.g. beta) versions of operating systems and browsers are not supported.

## Margin Disclosure Statement

A margin loan allows the account holder to borrow against the value of securities held in their account. Although EFG Capital does not provide margin directly to customers, we are providing this information to inform you of the basic facts about using and purchasing securities on margin, and to disclose the associated risks.

Before you decide to borrow on margin (from any source), you should carefully review this statement, which describes certain risks associated with borrowing on margin.

When you borrow on margin, you agree to maintain the level of margin collateral required by the lender (which may change from time to time). If the securities in your account decline in value or the lender otherwise deems it necessary to protect their interest, the lender may, at any time and without prior notice to you, (i) sell assets in any of your accounts that serve as collateral; (ii) buy assets of which your account may be short; and/or (iii) place stop-loss orders with respect to any securities that serve as collateral.

It is important that you fully understand the risks associated with borrowing on margin. These risks include the following:

- **You can lose more funds than you deposit in the margin account.** A decline in the value of securities that are purchased on margin may require you to provide additional funds to your lender to avoid the forced sale of those securities or other securities or assets in your account(s).
- **The entity that has provided you with margin credit can force the sale of securities or other assets in your account(s).** If the equity in your account falls below your lender's margin requirements or below the requirements of the appropriate regulatory authority or the lender otherwise deems it necessary to protect their interest, your lender can sell the securities or other assets in any of your accounts to cover the margin deficiency. You also will be responsible for any shortfall in the account after such sale.
- **The entity that has provided you with margin credit can sell your securities or other assets without contacting you.** Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the customer.
- **You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.** Because all of the securities in your accounts are collateral for the margin loan, your lender has the right to decide which security to sell in order to protect its interests.
- **The entity that has provided you with margin credit may increase its margin maintenance requirements at any time and is not required to provide you advance written notice.** These



changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call or event. Your failure to satisfy the call may cause your lender to sell securities in your account(s).

- **You are not entitled to an extension of time on a margin call.** While an extension of time to meet margin requirements may be available to customers under exceptional conditions, a customer does not have a right to the extension.

Please contact your CRO regarding any questions or concerns you may have about margin accounts.

## Lombard and Leveraged Loans Disclosure Statement

Prior to requesting a Securities Backed Line of Credit Arrangement (“SBLC”) offered through EFG Bank, it is important that the account holder fully understands the risks associated with SBLCs. The risks include the following:

- **You can lose more funds than you deposit.** A decline in the value of securities that are purchased using the proceeds from SBLC may require you to provide additional funds to EFG Bank to avoid the forced sale of those securities or other securities or assets in your account(s).
- **EFG Bank may force the sale of securities in your account.** If the equity in your account falls below EFG Bank’s minimum collateral maintenance requirements or EFG Bank otherwise deems it necessary to protect their interest, EFG Bank can sell the securities or other assets in any of your accounts to cover the deficiency. You also will be responsible for any shortfall after such sale.
- **EFG Bank may sell your securities or other assets without contacting you.** Some investors mistakenly believe that EFG Bank must contact them prior to selling securities or other assets. Under these SBLCs, EFG Bank is authorized to sell securities and other assets without contacting you first.
- **You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet the deficiency or shortfall.** Because all of the securities in your accounts are collateral for the SBLC, EFG Bank has the right to decide which security to sell in order to protect its interests.
- **EFG Bank may increase its collateral maintenance requirements at any time and is not required to provide you advance written notice.** These changes in policy often take effect immediately and may result in the issuance of a deficiency or shortfall. Your failure to satisfy the deficiency or shortfall may cause EFG Bank to sell securities in your account(s).
- **You are not entitled to an extension of time on a deficiency or shortfall.** While an extension of time to meet collateral maintenance requirements may be available to customers under exceptional conditions, a customer does not have a right to the extension.
- **Your SBLC is subject to periodic review in the sole and absolute discretion of EFG Bank.** SBLCs are subject to review from time to time at EFG Bank’s sole and absolute discretion. EFG Bank reserves the right to terminate any SBLCs at its discretion, and to demand immediate payment in full of all outstanding amounts regardless of the stated maturity date.

## Offshore Mutual Fund Disclosure Statement

EFG Capital offers to its customers a wide range of investment products and services, including mutual funds domiciled and operated outside of the United States that are only available to persons and entities that do not qualify as “U.S. Persons” under Regulation S of the Securities Act of 1933. These mutual funds are generally referred to as “offshore” mutual funds and although they are not registered as securities in the United States, they function similarly to U.S. registered mutual funds in terms of investment strategy, structure, operation, associated risks and costs. In selecting the offshore fund that best suits your needs,

some key factors to consider include the fund's investment strategy, risk profile and risk factors, investment performance, and relationship to your overall asset allocation strategy and investment time horizon. An offshore fund's fees and expenses have an impact on its investment returns and are important factors to consider as well. **(Please note: Offshore mutual funds are not intended to be utilized as short-term trading vehicles).**

This disclosure statement is intended to provide you more information about fees and expenses related to transactions in offshore mutual funds as well as compensation that EFG Capital and its financial professionals earn with respect to offshore mutual funds. Offshore mutual fund shares acquired through an EFGAM investment advisory or discretionary mandate fall under separate disclosure set forth in its Form ADV.

### **Offshore Fund Share Classes**

In order to accommodate the various investment needs of different categories of investors, many offshore mutual funds offer more than one "class" of shares. Each share class represents an interest in the same offshore fund's investment portfolio but has different fees and expenses. Some offshore mutual funds offer shares in multiple currencies and dividend & income distribution options. The availability of certain share classes offered by an offshore fund may be limited, depending on the mutual fund family. For further information about a particular fund family and eligibility, please review the respective mutual fund prospectus and consult with your CRO for further questions.

#### **Front Load Shares**

Front load shares, often referred to as "Class A Shares," typically impose a negotiable front-end sales charge of up to 6.00% at the time of initial purchase. The front-end sales charge is deducted from your initial investment amount at the time of purchase. The front-end sales charge is paid to EFG Capital as a "dealer commission" and a portion (or, in some instances, all) of that commission amount is remunerated to your financial professional as part of their overall compensation. The fund's annual asset-based fees, which typically include a management fee and shareholder/distribution fees (e.g. trailers and retrocessions), for front load shares of an offshore fund are typically lower than the annual operating expenses for that respective fund's back end load funds. Front load shares are typically more suitable for investors who have an intermediate to longer term investment time horizon and are not intended to be utilized as short-term trading vehicles. The dollar amount at which you should consider purchasing front load shares of a fund should be evaluated by analyzing the front-end sales charge to be assessed, along with associated annual asset-based fees.

#### **Level Load Shares**

Level load shares, often referred to as "Class C Shares," typically do not impose a front-end sales charge, so the full value of your investment is used to purchase shares in a fund. Many Class C shares impose a contingent deferred sales charge ("CDSC"), typically up to 1.00% of the redemption amount during the first year, with no CDSC thereafter. CDSC fees are typically paid to the fund's distributor or other service provider, and not paid to EFG Capital or your financial professional. EFG Capital will typically receive up front compensation of a maximum of 1.00% of the invested amount on Class C shares, paid by the fund's distributor or other service provider at the time of sale and a portion (or, in some instances, all) of this amount is paid to your financial professional. Class C shares generally are subject to annual asset-based fees that typically include a management fee and shareholder/distribution fees (e.g. trailers and retrocessions), which are typically higher than comparable asset-based fees for the fund's front load shares. Compared to Class A Shares, Class C shares generally become less economical for investors who hold their investments over a longer term. Typically, Class C shares are more economical for investors who have a short to intermediate investment horizon.

#### **Rear Load Shares**

Rear load shares, often referred to as "Class B Shares" typically have higher total expenses than Class A shares. Most Class B shares convert to Class A shares after an investor has met a minimum holding period (established by the respective fund company). If you hold a Class B share fund, please check the fund family's prospectus for conversion features. Similar to Class C shares, Class B share become less economical for investors who hold their investments over the longer term.

*For more complete information on any offshore fund, please review the prospectus, offering document and/or, if available, key investor information document. Before investing, carefully consider the investment objectives, risks and charges and expenses of the fund. This and other information can be found in the fund's prospectus. If you are a "U.S. Person" as defined in section 7701 (a)(30) of the Internal Revenue Code (or "Code") and are considering whether to make an investment in an offshore mutual fund, we strongly urge you to consult with your U.S. tax advisor before making such an investment. An offshore mutual fund may constitute a "passive foreign investment company" (or "PFIC") as defined in section 1297 of the Code. If an offshore mutual fund is a PFIC, then you may be subject to adverse U.S. federal income tax consequences arising from the ownership and disposition of shares in such fund. Under certain circumstances, an election can be made to reduce the impact of those adverse tax consequences, but you should discuss with your U.S. tax advisor (i) whether you would be able to make such an election and (ii) the tax consequences if you are not able to make such an election. EFG Capital does not provide legal, tax or accounting advice. Please consult your legal and/or tax advisor regarding this information.*

## **EFG Bank, EFG Asset Management, Pershing, & Other Relationships**

EFG Bank and Pershing are custodians for EFG Capital and furthermore, settle transactions for EFG Capital's customers. Due to this business relationship, Pershing and EFG Bank share with EFG Capital commissions, markups/markdowns, trailers, retrocessions, rebates, and other fees you pay to Pershing and EFG Bank for transactions executed in your account. In addition to the above, EFG Capital also participates in other revenue that EFG Bank and Pershing is paid on the assets held in your account. For example, Pershing receives revenue from money market funds and shares that revenue with EFG Capital for money market funds made available to you for cash sweeps in your account.

EFG Capital and EFG Bank have entered into various revenue sharing agreements for the introduction of customers to EFG Bank, pursuant to which EFG Capital receives a portion of the foreign exchange fees and spreads, hold mail fees, interest on deposits, loans and overdrafts, and safe-keeping, custody and other maintenance and account servicing and handling fees collected by EFG Bank.

Additionally, EFG Capital has entered into a Solicitor referral agreement with EFGAM, pursuant to which EFG Capital receives a portion of EFGAM's management fee for the referral of customers for discretionary and advisory investment management services. These referral payments are typically ongoing for the duration of the engagement between a customer and EFGAM.

Furthermore, certain financial professionals, in their individual capacities, are also licensed insurance agents and may refer you to various insurance companies for the purchase of insurance products. In consideration for the referral of your business, the insurance companies will pay the financial adviser a referral fee.

EFG Capital shares all or a portion of the above-mentioned revenue with your financial advisor as part of their overall compensation.

### **Non-Cash Compensation Arrangements**

EFG Capital, its financial professionals, and its affiliates receive promotional items, trainings, research, meals or entertainment or other non-cash compensation from representatives of mutual fund companies, insurance companies, and other product sponsors of Products, as permitted by applicable law. Additionally, sales of certain products qualify the financial professional and other employees of affiliates for additional benefits including attendance at seminars, conferences and entertainment events.

*If you have any questions about the amount of compensation EFG Capital or your CRO will earn from any investment or transaction in your account, in addition to reviewing the applicable Prospectus and Statement of Additional Information, please contact your CRO prior to making any investment decision.*

## Important Information on Penny Stocks

The term “penny stock” generally refers to a security issued by a very small company (Micro or Nano Market Capitalization) that trade at less than \$5 per share and are generally quoted over-the-counter (i.e. OTC Bulletin Board) or may trade on securities exchanges, including foreign securities exchanges.

Penny stocks are generally considered speculative investments due to thin trading and overall liquidity issues. Investors in penny stocks should be prepared for the possibility that they may lose their whole investment (or an amount in excess of this investment if you purchase penny stocks on margin).

Additional information about low-priced securities-including penny stocks-is available on the SEC's Web site at: <http://www.sec.gov/investor/pubs/microcapstock.html>. In addition, your financial professional will send you a copy of this information upon request. The SEC encourages you to learn all you can before making any investment.

## Alternative Investments Disclosure Statement

### Structured Products, Private Equity, Hedge Funds

Alternative investment products such as structured products, private equities, and hedge funds pose additional risks which are different from those inherent in traditional investments. These products may NOT be in the best interest or suitable for all investors. Prior to investing in an alternative investment, you should request all relevant information to make an informed decision such as, but not limited to:

- term sheets (preliminary and final),
- offering memorandums, and
- prospectus.

Alternative investment strategies may not work in all markets, and they may pose additional liquidity risks at the time of redemption. The profitability and return of principal may be subject to conditions and numerous factors which may not exist at the time of redemption. There is no guarantee that any of these investments will achieve their investment objective; therefore, investors should make a careful evaluation and/or seek professional advice prior to investing.

## FINRA BrokerCheck

The FINRA requires that we provide the following information to you concerning the FINRA’s BrokerCheck:

The FINRA BrokerCheck HelpLine number is (800) 289-9999

The BrokerCheck by FINRA website address is <http://brokercheck.finra.org>

An investor brochure that includes information describing the FINRA BrokerCheck may be obtained from FINRA; <http://www.finra.org/sites/default/files/InvestorDocument/p009888.pdf>

Also, for your convenience, BrokerCheck may be accessed from the EFG Capital web site at <https://www.efginternational.com/ch/legal/united-states.html> and clicking the link on the bottom of the page titled “BrokerCheck by FINRA.”

## Complaints & Disputes Regarding Your Client Relationship Officer

Please be advised that should you have a complaint regarding your financial professional or EFG Capital you may direct your complaint to our Compliance Department, which can be reached at:

**EFG Capital International Corp.**  
**Attn: Compliance Department**  
**701 Brickell Avenue, 9th floor**  
**Miami, Florida 33131**  
**Email: [regulatory@efgcapital.com](mailto:regulatory@efgcapital.com)**

## Consolidated Statement of Financial Condition

In accordance with the requirements of the U.S. Securities and Exchange Commission, customers may obtain a free copy of the most current Consolidated Statement of Financial Condition and certain Regulatory Requirements for EFG Capital, by visiting our website at <https://www.efginternational.com/ch/legal/united-states.html>, via email at [regulatory@efgcapital.com](mailto:regulatory@efgcapital.com) or by calling the accounting department at 1-800-334-9216 or at 305-482-8000.

### Net Capital Requirements

EFG Capital is subject to the Uniform Net Capital Rule under the Securities Exchange Act of 1934 (the “Net Cap Rule”). EFG Capital computes net capital under the basic method permitted by the Net Cap Rule. EFG Capital is subject to the SEC Uniform Net Capital Rule 15c3-1 that requires the maintenance of minimum net capital equal to the greater of \$250,000 or 6 2/3% of “Aggregate Indebtedness,” and requires that the ratio of aggregate indebtedness to net capital, both as defined, will not exceed 15 to 1.

### Related Party Disclosure

EFG Capital engages in several related party transactions with its affiliates on an ongoing basis. These transactions are disclosed in the Company’s annual and mid-year consolidated financial statements which are available via EFG Capital’s website: <https://www.efginternational.com/ch/legal/united-states.html>. Please refer to these consolidated financial statements for details.

### For more information

EFG Capital’s most current annual report, prepared pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, has been filed with the U.S. Securities and Exchange Commission in Washington D.C., and its regional office in Miami. A copy can also be obtained at EFG Capital’s office located at 701 Brickell Avenue, 9th Floor, Miami, FL 33131

An electronic version of this disclosure booklet can be obtained through our website:

<https://www.efginternational.com/doc/jcr:18dc65e6-dbff-4a8c-99f3-b11df6cc68e3/EFG%20Capital%20Disclosure%20Statement.pdf/lang/en/EFG%20Capital%20Disclosure%20Statement.pdf>

## **PRINCIPAL OFFICE**

### ***MIAMI***

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## **BRANCHES**

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### ***MONTEVIDEO***

#### **EFG Representación Uruguay S.A.**

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### ***PUNTA DEL ESTE***

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