

Form ADV Part 2A



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This Form ADV Part 2A (the “Brochure”) provides information about the qualifications and business practices of FitzRoy Investment Advisors LLC (“FitzRoy”). If you have any questions about the contents of this Brochure, please contact FitzRoy at (347) 580-9762. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about FitzRoy is available on the SEC’s website at www.adviserinfo.sec.gov.

FitzRoy is a registered investment adviser under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration as an investment adviser does not imply any level of skill or training.

Item 2 – Material Changes

Since FitzRoy last submitted this Brochure on March 30, 2020, the Brochure has been amended to reflect the following:

- As of September 2020, FitzRoy no longer shares office space with an unaffiliated registered investment adviser. In addition, FitzRoy terminated a service agreement between FitzRoy and the unaffiliated registered investment adviser.

In the future, when FitzRoy amends this Brochure for its annual update (or otherwise) and the amended version contains material changes from the last annual update, it will identify and discuss those changes either on this page or as a separate document accompanying the Brochure.

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Item 4 – Advisory Business

A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

FitzRoy is a private limited liability corporate entity that offers non-discretionary investment management services for separate accounts of high net-worth individuals and trusts (“Advisory Clients” or “Clients”). The Advisory Clients include both U.S. and non-U.S. persons.

With respect to Advisory Clients, FitzRoy has responsibility for making investment recommendations, subject to the specific guidelines established for each such Advisory Client in accordance with the Advisory Client’s needs, long-term goals and risk profile. In particular, FitzRoy makes recommendations with respect to customized asset allocations for its Advisory Clients, including allocations to separately managed accounts (“Separately Managed Accounts”), mutual funds, exchange-traded funds (“ETFs”) and pooled investment vehicles, including hedge funds and private equity funds (“Investment Vehicles”), in each case, managed by unaffiliated professional investment managers (“Managers”).

Jose A. Fernandez is the owner and managing member of FitzRoy.

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

FitzRoy is an investment advisor specializing in making recommendations to its Advisory Clients (on a non-discretionary basis) with respect to overall Asset Allocation as well as to investments in Investment Vehicles, Separately Managed Accounts managed by Managers as well as mutual funds and ETFs. The Managers selected by FitzRoy pursue a variety of investment strategies, focus on different geographic sectors and invest in a wide range of securities.

In connection with making recommendations to Advisory Clients, FitzRoy generally creates a customized asset allocation program for each Advisory Client which reflects that Advisory Client’s individual risk tolerance, investment outlook and short-term and long-term goals. FitzRoy does not group its Advisory Clients into standardized allocation programs, but instead creates an individualized plan for each Advisory Client. Capital preservation is an important aspect of FitzRoy’s investment approach. FitzRoy generally does not provide investment advice to its Advisory Clients with respect to specific securities (other than with respect to mutual funds, ETFs and the securities of pooled investment vehicles in the fund of funds context) but may refer an Advisory Client to a Manager or broker-dealer for such advice.

Portfolios advised by FitzRoy for its Clients will usually, but not always, provide for diversification across investment strategies and Managers. Categories of investments typically include fixed income, equities and so-called ‘alternative investment vehicles’ such as hedge funds and private equity and real estate funds. FitzRoy may also advise Clients regarding tactical asset allocation in order to take advantage of perceived opportunistic investments in the marketplace as a result of short-term mispricing.

FitzRoy uses a variety of tools, both qualitative and quantitative, to measure the potential risks of the various asset classes it recommends and to evaluate the Managers investing in those asset classes. FitzRoy schedules investment strategy and performance review calls and in some cases meets with existing Managers and potential new Managers on a regular basis and maintains statistical data, including historical returns, various measures of volatility and capital loss, peer group screening, gross and net exposures, geographic and sector exposures and liquidity. It also performs due diligence on the Managers (either

directly or via the due diligence teams of the custodian firms through which the Clients invest), including periodical calls and site visits.

C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of *clients*. Explain whether *clients* may impose restrictions on investing in certain securities or types of securities.

The advisory services provided by FitzRoy to its Advisory Clients are tailored to the investment objectives, investment strategy and investment restrictions set forth in the Advisory Client investment advisory agreements. Recommendations that are made for each Advisory Client stay within the confines of that Advisory Client's stated risk tolerance, time horizon and strategy, and, if applicable, are subject to restrictions applicable to the account.

D. If you participate in *wrap fee programs* by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

FitzRoy does not participate in "wrap fee arrangements," whereby clients select FitzRoy to manage funds through an investment program presented to the clients by a third-party program sponsor.

E. If you manage *client* assets, disclose the amount of *client* assets you manage on a *discretionary basis* and the amount of *client* assets you manage on a *non-discretionary basis*. Disclose the date "as of" which you calculated the amounts.

As of December 31, 2019, FitzRoy managed \$442,490,860 in client assets on a non-discretionary basis. FitzRoy does not manage any assets on a discretionary basis.

Item 5 – Fees and Compensation

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

As compensation for its investment advisory services to Advisory Clients, FitzRoy receives an annual advisory fee ranging from 0.35% to 0.45% of the assets of Advisory Clients under management with FitzRoy, generally payable quarterly in advance. Fees are generally negotiated with each Advisory Client and, depending on the characteristics of the Advisory Client, may be higher or lower than indicated above.

FitzRoy does not charge a performance fee to its Clients. Accordingly, except to the extent that better performance increases assets under management and thus the amount of the advisory or management fee, such fees are payable without regard to the overall success or income earned by Clients.

B. Describe whether you deduct fees from *clients*' assets or bill *clients* for fees incurred. If *clients* may select either method, disclose this fact. Explain how often you bill *clients* or deduct your fees.

FitzRoy does not deduct its fees from Advisory Clients' assets. Advisory fees are generally paid by Advisory Clients to FitzRoy pursuant to an advisory agreement between the parties.

Advisory fees may be, and in certain instances have been, waived or modified upon mutual agreement by FitzRoy and the Advisory Client(s).

C. Describe any other types of fees or expenses *clients* may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that *clients* will incur brokerage and other transaction costs, and direct *clients* to the section(s) of your *brochure* that discuss brokerage.

FitzRoy's fees are exclusive of other types of fees and expenses (including operating expenses) that may be chargeable to client accounts such as custodial, administration, brokerage, placement agent, legal and accounting fees, investment-related expenses (including direct research costs and research-related business travel costs), liability and other fees and expenses that may be charged by Managers. Assets invested in Separately Managed Accounts and Investment Vehicles managed by Managers may be subject to both management and performance fees which are in addition to the fees charged by FitzRoy to its Advisory Clients. FitzRoy does not share in any fees charged by the Managers.

As compensation for its investment advisory services provided to Advisory Clients, the only fee or expense charged an Advisory Client is a quarterly advisory fee.

D. If your *clients* either may or must pay your fees in advance, disclose this fact. Explain how a *client* may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

Advisory fees applicable to Advisory Clients are paid quarterly in arrears, as described in the investment advisory agreement between each Advisory Client and FitzRoy.

The services of FitzRoy generally may be terminated by Advisory Clients or FitzRoy at any time, subject to the particular terms of the respective investment advisory agreement. Upon any such termination, the Advisory Client will be invoiced a prorated amount of the fees due, calculated to the date of termination.

E. If you or any of your *supervised persons* accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.

- 1. Explain that this practice presents a conflict of interest and gives you or your *supervised persons* an incentive to recommend investment products based on the compensation received, rather than on a *client's* needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to *clients*. If you primarily recommend mutual funds, disclose whether you will recommend “no-load” funds.**
- 2. Explain that *clients* have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.**
- 3. If more than 50% of your revenue from Clients results from commissions and other compensation for the sale of investment products you recommend to your *clients*, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.**
- 4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.**

Neither FitzRoy nor its employees receive, directly or indirectly, any compensation in connection with making or recommending investments for Advisory Client accounts. FitzRoy is compensated solely through the advisory fee. Accordingly, FitzRoy believes that it does not have any conflicts of interest regarding the receipt of additional compensation relating to Advisory Client assets that FitzRoy manages, except as specifically disclosed from time to time.

Item 6 – Performance-Based Fees and Side-by-Side Management

If you or any of your *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *supervised persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *supervised persons* face by managing these accounts at the same time, including that you or your *supervised persons* have an incentive to favor accounts for which you or your *supervised persons* receive a *performance-based fee*, and describe generally how you address these conflicts.

As described in Item 5, FitzRoy does not currently receive performance-based compensation for investment advisory services provided to Clients. Consequently, unless FitzRoy begins receiving performance-based compensation in the future, it does not anticipate conflicts of interests in connection with the side-by-side management of Client accounts.

Item 7 – Types of Clients

Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

FitzRoy provides investment advisory services to high net worth individuals and trusts on a non-discretionary basis.

The minimum initial Client ‘liquid’ net worth (i.e. excluding real estate or other non-financial assets) is generally \$15 million. The minimum requirement can be, and in certain instances has been, waived in the discretion of FitzRoy.

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

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that *clients* should be prepared to bear.

FitzRoy generally recommends that Advisory Client allocate assets to Managers that pursue a variety of investment strategies and focus on different geographic sectors. Such Separately Managed Accounts and Investment Vehicles may invest in fixed income, equity securities (including distressed securities) of issuers in both developed markets and emerging markets, lower volatility non-equity correlated investments, debt (including distressed debt), private equity and real estate, among other investments. Investments in securities held in Separately Managed Accounts and interests in Investment Vehicles entail a high degree of risk and are suitable only for sophisticated investors (i) for whom an investment in such securities and such interests does not present a full investment program and (ii) who are capable of bearing the risks of such investments, including the risk of a total loss of capital. Certain of the risks associated with the investment strategies that might be pursued by Managers are summarized below under Item 8.B. For a detailed analysis of the risks associated with the investment strategies pursued by Managers, Advisory Clients should review thoroughly the offering documents of the respective Investment Vehicles as well as the materials provided by each Manager with respect to Separately Managed Accounts. FitzRoy generally does not provide investment advice with respect to specific securities (other than with respect to mutual funds, ETFs and the securities of pooled investment vehicles) but may occasionally refer an Advisory Client to a Manager or broker-dealer for such advice.

As discussed in Item 4, FitzRoy generally creates a customized asset allocation program for each Advisory Client which reflects that Advisory Client's individual risk tolerance, investment outlook and short-term and long-term goals. Capital preservation is an important aspect of FitzRoy's investment approach. Portfolios managed by FitzRoy will usually, but not always, provide for diversification across investment strategies and Managers. FitzRoy uses a variety of tools, both qualitative and quantitative, (i) to measure the potential risks of the various asset classes it recommends and (ii) to evaluate the Managers investing in those asset classes. FitzRoy schedules strategy and investment performance review calls and/or meets with existing Managers and potential new Managers on a regular basis and maintains statistical data, including historical returns, various measures of volatility and capital loss, peer group screening, gross and net exposures, geographic and sector exposures and liquidity. It also performs due diligence on the Managers (either directly or via the custodian entity through which the client invests), including site visits and/or conference calls.

B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Risks Associated with Investments Held in Separately Managed Accounts and Investments in Investment Vehicles. The risks associated with investing in Separately Managed Accounts and Investment Vehicles recommended by FitzRoy arise from (i) the risks associated with the strategies of each such Separately Managed Account and Investment Vehicle, (ii) the risks attendant to the Separately Managed Account's and the Investment Vehicle's ability to achieve its investment objectives and (iii) with respect to Investment Vehicles, the risks stemming from the terms upon which such Investment Vehicles are offered, such as restrictions on redemptions or distributions.

Reliance on Managers. Although FitzRoy generally monitors the performance of each Separately Managed Account or Investment Vehicle it recommends, FitzRoy does not play any role in the day-to-day management of such Separately Managed Accounts or Investment Vehicles. Moreover, FitzRoy will not have the opportunity to evaluate the specific investments made by the Managers managing such Separately Managed Accounts and Investment Vehicles. The historical performance of such Investment Vehicles and the performance of investments held in Separately Managed Accounts is not a guarantee or prediction of their future performance. There is no guarantee that a Separately Managed Account or an Investment Vehicle will be managed in a manner consistent with an Advisory Client's investment objective. Although FitzRoy engages in thorough due diligence of the Managers it selects, there is no guarantee that such Managers will not engage in fraudulent practices and misappropriate client assets.

Layering of Fees. Clients will bear the advisory fee charged by FitzRoy and will also bear the fees charged by the Managers managing the Separately Managed Accounts and Investment Vehicles in which they invest. Such fees charged by Managers may include management and performance fees. This will result in greater expense than if Clients invested directly in the Separately Managed Account or Investment Vehicles (or underlying investments) themselves. Clients should take into account that the return on their investment will be reduced to the extent of both levels of fees.

Valuation. As FitzRoy anticipates that market prices will not be readily available for certain investments held in Separately Managed Accounts and for many Investment Vehicles which it recommends, the value of such investments ordinarily will be the value determined by the Managers in accordance with the valuation policies applicable to each Separately Managed Account and Investment Vehicle. Although FitzRoy may review the valuation procedures used by the Managers, auditors and/or administrators of such Separately Managed Accounts and Investment Vehicles, FitzRoy will have little or no means of independently verifying valuations provided by such Managers.

Absence of Regulation Concerning Investment Vehicles. The Investment Vehicles are expected to be subject to varying levels of regulation. The Investment Vehicles may not be registered as investment companies under the Investment Company Act of 1940, as amended, and their Managers may not be registered as investment advisers under the Advisers Act; therefore, the protections afforded to investors by those laws will not be applicable to an investment made by a Client. Similarly, certain investments in funds and accounts formed and operated outside the U.S. may not be subject to comprehensive government regulation.

Concentration of Investments. The Managers generally seek to maintain a diversified portfolio of investments. However, the Managers may at certain times hold relatively few investments. The investors could be subject to significant losses if the Managers hold a large position in a particular investment that declines in value or is otherwise adversely affected.

Counterparty Risk. The investments of the Managers are subject to the risk of the inability of any counterparty (including the prime brokers and custodians) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

Equity Securities. The Separately Managed Accounts and Investment Vehicles managed by the Managers may hold long and short positions in common stocks, preferred stocks and convertible securities of U.S. and non-U.S. issuers. They may also invest in depositary receipts or shares relating to non-U.S. securities. Equity securities fluctuate in value, often based on factors unrelated to the fundamental economic condition of the issuer of the securities, including general economic and market conditions, and these fluctuations can be pronounced. The Managers may purchase securities in all available securities trading markets without restriction as to market capitalization, such as those issued by smaller capitalization companies which are considered riskier.

Short Selling. The Managers may engage in short selling. Short selling involves trading on margin and accordingly can involve greater risk than investments based on a long position. A short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Fixed Income Obligations. Fixed income obligations are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk), and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). Changes in interest rates may cause a decline in the market value of an investment. With bonds and other fixed income securities, a rise in interest rates typically causes a fall in values, while a fall in interest rates typically causes a rise in values. This risk will be greater for long-term bonds than for short-term bonds. Bonds and other fixed income securities generally involve less market risk than stocks. However, the risk of bonds can vary significantly depending upon factors such as the issuer and maturity. For example, the issuer of a security or the counterparty to a contract may default or otherwise become unable to honor a financial obligation. The bonds of some companies may be riskier than the stocks of others.

Debt Securities. The Managers may invest in debt securities which may be unrated by a recognized credit-rating agency or below investment grade, and thus subject to greater risk of loss of principal and interest than higher-rated debt securities. Such debt securities may rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured by substantially all of that issuer's assets, and may not be protected by financial covenants or limitations on additional indebtedness. In addition, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. Investment in a debt instrument will normally involve the assumption of interest rate risk.

Interest Rate Risk. The investments of the Managers may be subject to interest rate risk in connection with their investments in debt securities. Generally, the value of debt securities will change inversely with changes in interest rates. As interest rates rise, the market value of debt securities tends to decrease. Conversely, as interest rates fall, the market value of debt securities tends to increase. This risk will be greater for long-term securities than for short-term securities.

Distressed Securities. The Managers may purchase securities and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganizations and liquidation proceedings. Although such investments may produce significant returns, they involve a high degree of risk over a potentially lengthy period of time, as well as less liquidity than many other investments. Investment in these types of securities requires sophisticated analysis and there can be no assurance that the Managers will accurately predict various factors that could affect the prospects of a successful restructuring. Many of these investments ordinarily remain stagnant until the company reorganizes and/or emerges from bankruptcy proceedings, and, as a result, may have to be held for an extended period of time.

Foreign Securities. There are certain risks involved in investing in securities of companies and governments of foreign nations which are in addition to the usual risks inherent in U.S. investments. These risks include those resulting from fluctuations in currency exchange rates, revaluation of currencies, future adverse political and economic developments and the possible imposition of currency exchange blockages or other foreign governmental laws or restrictions, reduced availability of public information concerning issuers, the lack of uniform accounting, auditing and financial reporting standards and other regulatory practices and requirements that are often less rigorous than those applied in the U.S. The yield of foreign securities may be adversely affected by fluctuations in the value of one or more currencies relative to the U.S. Dollar.

Moreover, securities of many foreign companies may be less liquid and their prices more volatile than those of securities of comparable U.S. companies. Certain foreign countries are known to experience long delays between the trade and settlement dates of securities purchased or sold. In addition, with respect to certain foreign countries, there is the possibility of expropriation, nationalization, confiscatory taxation and limitations on the use or removal of funds or other assets, including the withholding of dividends. Moreover, individual foreign economies may differ unfavorably from the U.S. economy in such respects as growth of gross national product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments positions. Investment in foreign securities may also result in higher operating expenses due to the cost of converting foreign currency into U.S. Dollars.

Emerging Markets. The risks associated with investing in non-U.S. securities may be greater with respect to those issued by companies located in emerging industrialized or less developed countries. Risks particularly relevant to emerging markets may include higher dependence on exports and the corresponding importance of international trade, greater risk of inflation, greater controls on foreign investment and limitations on repatriation of invested capital, increased likelihood of governmental involvement in and control over the economies, governmental decisions to cease support of economic reform programs or to impose centrally planned economies, and less developed corporate laws regarding fiduciary duties of officers and directors and protection of investors.

Derivatives. Derivative financial instruments include futures, options, interest rate swaps, equity swaps, forward currency contracts and credit derivatives such as credit default swaps. The Managers may from time to time utilize both exchange-traded and over-the-counter futures, options and contracts for differences, as part of its investment strategy and for hedging purposes, as well as other derivatives. Regulatory restraints may restrict the instruments that the Managers may trade. Derivative instruments are highly volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further losses exceeding any margin deposited. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. The trading of over-the-counter derivatives is subject to a variety of risks including: (i) counterparty risk; (ii) basis risk; (iii) interest rate risk; (iv) settlement risk; (v) legal risk, and (vi) operational risk. Counterparty risk is the risk that one of the counterparties might default on its obligation to pay or perform generally on its obligations. Basis risk is the risk that the normal relationship between two prices might move in opposite directions. Interest rate risk is the general risk associated with movements in interest rates. Settlement risk is the risk that a settlement in a transfer system does not take place as expected. Legal risk is the risk that a transaction proves unenforceable in law or because it has been inadequately documented. Operational risk is the risk of unexpected losses arising from deficiencies in a firm's management information, support and control systems and procedures. Transactions in over-the-counter derivatives may involve other risks as well, as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk.

Options. The Managers may engage in the trading of options. Such trading involves risks substantially similar to those involved in trading margined securities in that options are speculative and highly leveraged. Specific market movements of the securities underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the security underlying the option which the writer must purchase or deliver upon exercise of the option.

Hedging Risk. A hedge may produce a net loss. In addition, hedges are more difficult to implement than many other transactions, and possibilities for errors may be greater than for other transactions. The hedging techniques used by the Managers may not be successful and thereby may cause the Clients to incur losses.

Liquidity of Investments: FitzRoy may recommend Clients to invest in Investment Vehicles such as private equity, hedge and real estate funds that provide additional diversification to the portfolios but should be viewed as illiquid and subject to risk. Most, if not all, of these Investment Vehicles restrict both transferability and the ability to withdraw/redeem, and may reserve the right to suspend or limit withdrawals/redemptions or delay the payment of withdrawal/redemption proceeds under certain circumstances. Such investments may also be “side pocketed” whereby withdrawals/redemptions with respect thereto are indefinitely suspended until the occurrence of a realization event or until the Investment Vehicle Manager determines that such investments are sufficiently liquid.

Real Estate. The Managers may invest directly in real estate and/or real estate-related securities and in the securities or obligations of companies whose primary asset is real estate. Special risks associated with such investments include changes in the general economic climate or local conditions (such as an oversupply of space or a reduction in demand for space), competition based on rental rates, attractiveness and location of the properties, changes in the financial condition of tenants, and changes in operating costs. Real estate values are also affected by such factors as government regulations (including those governing usage, improvements, zoning and taxes), interest rate levels, availability of financing and potential liability under changing environmental and other laws. Investments in real estate are typically illiquid.

Advisory Clients and prospective Advisory Clients are advised to review all risk factors set forth in the offering documents of each Investment Vehicle in which they intend to invest and the materials provided by each Manager with respect to Separately Managed Accounts, as applicable.

C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

Please see Item 8.B above.

Advisory Clients and prospective Advisory Clients are advised to review all risk factors set forth in the offering documents of each Investment Vehicle in which they intend to invest and the materials provided by each Manager with respect to Separately Managed Accounts, as applicable.

Item 9 – Disciplinary Information

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

FitzRoy is obligated to disclose legal or disciplinary events that would be material to a Client's or prospective Client's evaluation of FitzRoy's advisory business or the integrity of its management. FitzRoy has no such legal or disciplinary events to report.

Item 10 – Other Financial Industry Activities and Affiliations

A. If you or any of your *management persons* are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

Neither FitzRoy nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. If you or any of your *management persons* are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

Neither FitzRoy nor any of its management persons are registered, or currently have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

C. Describe any relationship or arrangement that is material to your advisory business or to your *clients* that you or any of your *management persons* have with any *related person* listed below. Identify the *related person* and if the relationship or arrangement creates a material conflict of interest with *clients*, describe the nature of the conflict and how you address it.

- 1. broker-dealer, municipal securities dealer, or government securities dealer or broker**
- 2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)**
- 3. other investment adviser or financial planner**
- 4. futures commission merchant, commodity pool operator, or commodity trading advisor**
- 5. banking or thrift institution**
- 6. accountant or accounting firm**
- 7. lawyer or law firm**
- 8. insurance company or agency**
- 9. pension consultant**
- 10. real estate broker or dealer**
- 11. sponsor or syndicator of limited partnerships.**

Not applicable.

D. If you recommend or select other investment advisers for your *clients* and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest,

describe these practices and discuss the material conflicts of interest these practices create and how you address them.

Not applicable. FitzRoy does not receive any compensation for making or recommending investments in such Managers for its Clients.

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

A. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any *client* or prospective *client* upon request.

FitzRoy strives to adhere to the highest industry standards of integrity, professionalism and trust. To this end, FitzRoy has adopted a Code of Ethics (the “Code”) that requires FitzRoy employees to comply with all applicable federal securities laws, to place the interests of Clients first, to avoid conflicts of interest, not to take inappropriate advantage of the employee’s position, to adhere to certain restrictions with respect to the receipt and giving of gifts and to safeguard confidential information. Each employee is required to report to the Chief Compliance Officer of FitzRoy any known or suspected violations of the Code or applicable federal securities law.

Each newly hired employee receives a copy of the Code and is required to certify that he or she has read and understands it. Training is provided for employees with respect to the Code and their duties under it. On an annual basis, each FitzRoy employee must certify that he or she has read and understands the Code, has complied with its provisions and has disclosed, pre-cleared and arranged for the reporting of all transactions and holdings in securities consistent with the requirements of the Code.

FitzRoy and its personnel may have conflicts in allocating their time and services among the Advisory Clients. FitzRoy will devote as much time to each of the Advisory Clients as it deems appropriate to perform its duties in accordance with its investment advisory agreements. In addition, FitzRoy, its affiliates and employees may conduct outside business activities. Pursuant to the Code, such activities are subject to disclosure and pre-approval. FitzRoy employees are also required to report and pre-clear certain political contributions, in connection with Advisers Act Rule 206(4)-5.

Personal Trading

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Employees. Among other things, the Compliance Manual and Code of Ethics (i) requires that all employees comply with federal securities laws, (ii) requires that all employees submit to FitzRoy reports containing their personal securities holdings and transactions in reportable securities, and that FitzRoy review such reports, (iii) requires all employees to obtain pre-approval of certain types of investments (as detailed further in the Code), (iv) contains policies and procedures designed to prevent the misuse of material, non-public information.

Insider Trading/Material Non-Public Information

FitzRoy maintains an Insider Trading Policy that is designed to prevent the misuse of material, nonpublic information by its directors and employees. In accordance with these policies, to prevent trading of public securities based on material, non-public information, FitzRoy maintains, as necessary, a “restricted” securities list. Companies about which Employees have, or are expected to have, material, non-public information are generally placed on the restricted list. While an issuer is on the restricted list, FitzRoy and each Employee is prohibited from purchasing, selling or recommending the purchase or sale of that issuer’s securities in personal accounts and its Client accounts without first obtaining pre-clearance from the Chief Compliance Officer (or his designee).

B. If you or a *related person* recommends to *clients*, or buys or sells for *client* accounts, securities in which you or a *related person* has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Examples: (1) You or a *related person*, as principal, buys securities from (or sells securities to) your *clients*; (2) you or a *related person* acts as general partner in a partnership in which you solicit *client* investments; or (3) you or a *related person* acts as an investment adviser to an investment company that you recommend to *clients*.

FitzRoy does not recommend any securities for Advisory Client accounts in which it or a related person has a material financial interest.

C. If you or a *related person* invests in the same securities (or related securities, *e.g.*, warrants, options or futures) that you or a *related person* recommends to *clients*, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

FitzRoy recommends investments with Managers for its Advisory Clients and generally does not provide investment advice with respect to specific securities (other than with respect to mutual funds, ETFs and the securities of pooled investment vehicles); however, FitzRoy may occasionally refer a Client to a Manager or broker-dealer for such advice. Since FitzRoy does not generally make securities recommendations (other than with respect to mutual funds, ETFs and the securities of pooled investment vehicles) to its Clients, it does not anticipate that the personal trading practices of its Employees will conflict with the interests of such Clients.

FitzRoy's officers and Employees may also on occasion invest in certain of the Investment Vehicles that FitzRoy recommends to its Clients. As limited partners or shareholders of the same Investment Vehicle(s), such officers and employees would be participating in any capital gains (or losses) along with the Advisory Clients. It should also be noted that there may be instances whereby FitzRoy's officers and employees may make direct investments in financial instruments that are also held by an Investment Vehicle.

FitzRoy seeks to monitor this potential conflict of interests through the firm's Code of Ethics. In this regard, employees are subject to pre-clearance (in certain instances) and periodic reporting requirements of their holdings and securities transactions under the firm's Code of Ethics. FitzRoy's Code of Ethics requires FitzRoy's employees to obtain prior written approval from the Chief Compliance Officer before purchasing any limited offering. The Chief Compliance Officer reviews employees' personal transaction reports to make sure each Employee is conducting his or her personal securities transactions in a manner that is consistent with the Code of Ethics.

D. If you or a *related person* recommends securities to *clients*, or buys or sells securities for *client* accounts, at or about the same time that you or a *related person* buys or sells the same securities for your own (or the *related person's* own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Please refer to Items 11.A, 11.B and 11.C.

Item 12 – Brokerage Practices

A. Describe the factors that you consider in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g., commissions).

1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with *client* securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.

a. Explain that when you use *client* brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.

b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your *clients*’ interest in receiving most favorable execution.

c. If you may cause *clients* to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.

d. Disclose whether you use soft dollar benefits to service all of your *clients*’ accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to *client* accounts proportionately to the soft dollar credits the accounts generate.

e. Describe the types of products and services you or any of your *related persons* acquired with *client* brokerage commissions (or markups or markdowns) within your last fiscal year.

f. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits you received.

FitzRoy does not generally recommend broker-dealer services to its Clients or use broker-dealers.

2. Brokerage for *Client* Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a *related person* receives *client* referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving *client* referrals, rather than on your *clients*’ interest in receiving most favorable execution.

b. Explain the procedures you used during your last fiscal year to direct *client* transactions to a particular broker-dealer in return for *client* referrals.

FitzRoy does not engage broker-dealers in connection with the advisory services provided to its Clients. FitzRoy does not purchase or sell securities on behalf of its Advisory Clients, but instead makes recommendations for such Clients with respect to investments in certain Separately Managed Accounts and Investment Vehicles managed by Managers (which are generally made via a third-party custodian/broker-dealer). FitzRoy does not receive fees, services, or any other form of compensation by such Managers or broker-dealers.

Although FitzRoy manages Client assets on a non-discretionary basis, FitzRoy may recommend particular brokers to its Clients because of pre-existing relationships that it may have with such brokers. When

recommending these brokers, FitzRoy may get involved in the negotiation process on behalf of its Clients with such brokers to seek to reduce the fees that the Clients pay and/or other terms of the agreement. Further, FitzRoy may also evaluate existing Clients' agreements with custodians, and/or brokers to evaluate the terms, performance and assist in negotiating fees.

FitzRoy does not receive Client referrals from such broker-dealers. To the extent that FitzRoy recommends broker-dealers to its Advisory Clients, it makes such recommendations based on the broker's reputation, execution capabilities, price, quality of research and financial strength.

3. Directed Brokerage.

a. If you routinely recommend, request or require that a *client* direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their *clients* to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of *client* transactions, and that this practice may cost *clients* more money.

b. If you permit a *client* to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of *client* transactions. Explain that directing brokerage may cost *clients* more money. For example, in a directed brokerage account, the *client* may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the *client* may receive less favorable prices.

FitzRoy does not have any directed brokerage arrangements.

B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various *client* accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to *clients* of not aggregating.

FitzRoy does not purchase or sell securities on behalf of its Advisory Clients, rather it makes recommendations for those Clients with respect to investments in Investment Vehicles and Separately Managed Accounts managed by unaffiliated professional investment managers.

Item 13 – Review of Accounts

A. Indicate whether you periodically review *client* accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the *supervised persons* who conduct the review.

On at least a monthly basis, Mr. Fernandez reviews the portfolios of each Client to determine if such portfolios are consistent with applicable investment objectives and restrictions, and FitzRoy monitors the performance of the Managers it recommends to its Clients.

B. If you review *client* accounts on other than a periodic basis, describe the factors that trigger a review.

Please see Item 13.A.

C. Describe the content and indicate the frequency of regular reports you provide to *clients* regarding their accounts. State whether these reports are written.

FitzRoy typically provides its Advisory Clients with monthly written reports which are sent to Advisory Clients generally within 30 days after the end of each month or quarter (as applicable). The frequency of the account reports is determined by FitzRoy and each Advisory Client.

Item 14 – Client Referrals and Other Compensation

A. If someone who is not a *client* provides an economic benefit to you for providing investment advice or other advisory services to your *clients*, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

FitzRoy does not receive any monetary compensation or any other economic benefit from a non-client for provision of investment advisory services to a client.

B. If you or a *related person* directly or indirectly compensates any *person* who is not your *supervised person* for *client* referrals, describe the arrangement and the compensation.

FitzRoy does not provide compensation to any person for client referrals, but may do so in the future.

Item 15 – Custody

If you have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.

FitzRoy does not have custody over its Advisory Clients' assets. Neither FitzRoy nor any affiliate thereof has physical custody of any Client's assets. FitzRoy sends Clients a monthly consolidated report of the assets held at each of the Client's custodians but specifies that the data in the report was obtained from third-party statements that have not been audited and that it is the custodian entity that is ultimately responsible for the accuracy of such statements.

Item 16 – Investment Discretion

If you accept *discretionary authority* to manage securities accounts on behalf of *clients*, disclose this fact and describe any limitations *clients* may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

FitzRoy provides investment management and supervisory services on a non-discretionary basis to its Advisory Clients and does not advise any Clients' assets on a discretionary basis.

Item 17 – Voting Client Securities

A. If you have, or will accept, authority to vote *client* securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your *clients* can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your *clients* with respect to voting their securities. Describe how *clients* may obtain information from you about how you voted their securities. Explain to *clients* that they may obtain a copy of your proxy voting policies and procedures upon request.

FitzRoy does not vote proxies on behalf of its Advisory Clients.

B. If you do not have authority to vote *client* securities, disclose this fact. Explain whether *clients* will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) *clients* can contact you with questions about a particular solicitation.

FitzRoy does not have authority to vote proxies on behalf of its Advisory Clients. FitzRoy may however, upon request, provide advice to such Clients regarding how to vote on a particular proposal.

Item 18 – Financial Information

A. If you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, include a balance sheet for your most recent fiscal year.

Not applicable, FitzRoy does not require or solicit prepayment of fees from Clients.

1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.

2. Show parenthetically the market or fair value of securities included at cost.

3. Qualifications of the independent public accountant and any accompanying independent public accountant’s report must conform to Article 2 of SEC Regulation S-X.

Not applicable.

B. If you have *discretionary authority* or *custody* of *client* funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to *clients*.

Not applicable.

C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

FitzRoy has not been the subject of a bankruptcy petition at any time during the past ten years.