



# NOESIS

Capital Management

**Fountain Square  
2700 North Military Trail, Suite 210  
Boca Raton, FL 33431  
[www.noesis-capital.com](http://www.noesis-capital.com)  
(561) 999-9888**

This Brochure provides information about the qualifications and business practices of Noesis Capital Management, Corp. (“Adviser,” “Firm” or “Noesis”). If you have any questions about the contents of this Brochure, please contact us at (561) 999-9888. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Noesis is an SEC registered investment advisor. The term “registered” is not intended to imply that a certain level of skill or training has been obtained by Noesis or its representatives. Additional information about Noesis is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2: MATERIAL CHANGES

---

**Dated: November 01, 2022**

**Last Update: November 01, 2021**

The information contained in this section relates only to material changes that have occurred since the last update. We define a material change as any change that an average client would consider important to know prior to making an investment decision. Clients are encouraged to review any Item numbers referenced in this summary against the previously submitted Disclosure Brochure or Form CRS (“Customer Relationship Summary”) for additional information regarding how this change may impact the client’s decision to do business with our firm.

**This year, Noesis has no material changes to report.**

Consistent with the rules, we will ensure that clients receive this *Item 2: Material Changes* page as a summary of any material changes to this and subsequent Brochures or changes to our firm’s Form CRS. Our annual updating material changes will be delivered to clients within 120 days of the close of our business’ fiscal year. Furthermore, we will provide clients with other interim disclosures about material changes, as necessary.

To obtain our firm brochure, Form CRS and brochure supplements (information regarding each of our financial advisors), our Code of Ethics or our Privacy Disclosure, please visit our website or make your request by phone or in writing as directed below.

**Noesis Capital Management, Corp.  
Fountain Square  
2700 North Military Trail, Suite 210  
Boca Raton, FL 33431  
Main Phone: (561) 999-9888**

**Web Site Address: [www.noesis-capital.com](http://www.noesis-capital.com)**

## ITEM 3: TABLE OF CONTENTS

---

ITEM 2: MATERIAL CHANGES .....	2
ITEM 3: TABLE OF CONTENTS .....	3
ITEM 4: ADVISORY BUSINESS .....	4
ITEM 5: FEES & COMPENSATION .....	5
ITEM 6: PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT .....	7
ITEM 7: TYPES OF CLIENTS .....	7
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS .....	7
ITEM 9: DISCIPLINARY INFORMATION .....	10
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS .....	10
ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	10
ITEM 12: BROKERAGE PRACTICES .....	12
ITEM 13: REVIEW OF ACCOUNTS .....	16
ITEM 14: CLIENT REFERRALS & OTHER COMPENSATION .....	16
ITEM 15: CUSTODY .....	17
ITEM 16: INVESTMENT DISCRETION .....	17
ITEM 17: VOTING CLIENT SECURITIES .....	18
ITEM 18: FINANCIAL INFORMATION .....	19

## ITEM 4: ADVISORY BUSINESS

---

### Firm Description

Noesis is located in Boca Raton, Florida. Noesis began operating as a State of Florida investment adviser on September 5, 1995 and moved to SEC registration on April 27, 2001. The firm is owned by Nico Letschert (CFP™) and Ellen Letschert through a *Tenants By Entirety*.

As of October 31, 2022, our assets under management consisted of:

	Number of Accounts	Assets Under Management
<b>Discretionary</b>	589	\$ 455,741,038
<b>Non-Discretionary</b>	61	\$ 54,044,957
<b>Total</b>	650	\$ 509,785,995

### Investment Advisory Services

Noesis provides ongoing portfolio management services for its clients. The firm's preference is to deliver these services on a discretionary basis but may also do so on a non-discretionary basis, when appropriate. As part of our fiduciary duty to our clients, Noesis obtains information pertaining to each client's investment objectives, time horizon, liquidity needs and tolerance for risk so that portfolios can be tailored to meet the individual needs of the client. Clients also have the ability to impose reasonable restrictions on investing in specific, or groups of, securities within their account. However, such restrictions and guidelines imposed by clients affect the composition and performance of portfolios. See Item 11 of this Disclosure Brochure for additional information regarding our fiduciary duty to clients.

Although each account is assigned to a Portfolio Manager (or PM), the firm's PMs share information with one another on specific investments and market outlook on a continuous basis. The firm's research team leads the firm's research efforts and provides guidance to Noesis' Portfolio Managers. This gives the firm a common investment philosophy and results in many client portfolios owning common securities; however, discretion is given to each account's PM for your account's portfolio design. This results in different holding periods for commonly held securities amongst the firm's accounts. Noesis has processes in place to ensure that all trades are made in accordance with current industry regulations and the firm's code of ethics so that the firm's clients are not unfairly advantaged or disadvantaged by the decisions of their Portfolio Manager.

For our accredited investors, and those whose portfolios are deemed appropriate, clients may bring over alternative types of investments for management or reporting in their portfolio. Conversely, for our accredited investors, and those whose portfolios are deemed appropriate, we may also use alternative investments, such as limited partnerships, private equity funds, REITs that are not publicly traded. We do not recommend special purpose acquisition companies (SPACs), but will accommodate legacy positions brought in by our clients. These types of investments contain considerable risk and are therefore only recommended for portfolios that can withstand the possibility of exposure to loss of principal.

Our firm’s role, relative to these types of investment funds, shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a Fund Investor, the amount of assets invested in the fund(s) shall be included as part of the client’s assets under management for purposes of Noesis’ calculating its investment advisory fee, unless we agree otherwise. Noesis’ clients are under no obligation to consider or make an investment in a private investment fund(s).

Please Note: Alternative products generally involve various risk factors including, but not limited to, potential for complete loss of principal, liquidity constraints (they do not provide daily liquidity or pricing) and lack of transparency. A complete discussion of which is set forth in each product’s offering documents. These documents are provided to the investor for review and consideration at the time of purchase. Clients who wish to hold such assets must establish that he/she is qualified for this type of investment, acknowledge and accept the risk.

Identified Conflicts of Interest: Mr. Nico Letschert, CEO of our firm, is a minority shareholder and board member of a privately held company. As such, he has introduced clients to the privately held investment. Noesis will not provide management services or reporting to clients for these investments.

### Financial Planning Services

As part of our advisory services, Noesis offers formal financial planning services. These services are primarily focused on planning for future cash flow, education, retirement and succession needs. The firm does not charge additional fees for financial planning services.

## ITEM 5: FEES & COMPENSATION

---

### Standard Fee Schedule

Noesis is compensated for advisory services by charging a fee based on assets under management according to the schedule below:

Assets Under Management	Fee
First \$1 Million	1.50%
Above \$1 Million	0.75%

Fees are negotiable at our discretion and may differ from the standard fee schedule above. Related clients living at the same address can elect to have fees “house-held” when circumstances would allow them to achieve a break point. Each client’s fee is stated in the client agreement and is charged quarterly in advance based on the ending account value on the last business day of the preceding quarter.

Clients have the option of having fees billed to them or having them deducted directly from their investment accounts. The firm does not charge a separate fee for financial planning services.

## Payment of Fees

Noesis' fee for advisory services is based on the ending value of the account on the last business day of the preceding quarter (excluding debits, as applicable) and is payable in advance. When initially opening an account, Noesis will begin billing fees when we determine that active management begins. Our fees are payable in advance, therefore, for those clients who choose direct debiting of fees, the first quarterly fee will be directly debited from the client's initial deposit into the account. Should clients, at any time, not have enough cash available to pay the advisory fee in their account, Noesis reserves the right to liquidate assets to cover the fee.

When you make withdrawals, the value of your account fluctuates. Our firm does not adjust our quarterly fee unless there is a material withdrawal in the quarter of more than twenty percent (20%) of the entire house-held accounts. If there are less than ten (10) days left in the quarter, Noesis will not adjust the fees for any withdrawals or additions to the account and the fee will be recalculated for the next quarterly billing cycle as is our normal method.

The firm primarily utilizes your qualified custodian's reported pricing for valuation purposes. In the unlikely event that Noesis is unable to obtain pricing through the qualified custodian, our firm will employ a fair valuation technique that we believe is suitable for obtaining the most accurate pricing. Fair value pricing is an "at best efforts" attempt to obtain a price and may not always be the best price available.

## Termination of Contracts

Agreements may be terminated at any time by the client or by Noesis by giving written notice. Fees paid in advance will be prorated to the date Noesis establishes the account has been terminated and any unearned portion will be refunded to the client. Fees shall be refunded in full if termination of the agreement occurs within 5 business days of a client's signing our investment agreement. Clients may contact the firm's CCO by calling (561) 999-9888 if they would like to request a refund or have questions as to how their refund was calculated.

## Other Fees and General Fee Disclosures

The advisory fee structure described above does not cover debit balances or related margin interest, SEC fees, brokerage or related transaction costs, surrender fees, trails, or other fees or taxes required by law. Clients whose funds are invested in mutual funds, money market funds, or ETFs also pay fees to the fund sponsor (such as 12(b)1 fees) in addition to fees paid to Noesis' fee for advisory services. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee for mutual funds. Additional information about Noesis's brokerage practices is available in Item 12 of this brochure.

Clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers including, but not limited to, any commissions, step-out brokerage fees, custody fees, transaction charges or mark-ups/mark-downs imposed by a broker-dealer with which Noesis effects transactions for a client's account(s). If you elect to direct brokerage of your account, your account may have additional fees imposed by the broker or custodian that other clients do not pay.

Valuation of alternative products and private funds. In the event that Noesis references alternative products and/or private investment funds owned by the client on any supplemental account reports prepared by the firm, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the Fund Sponsor. If no subsequent valuation post-purchase is provided by the Fund Sponsor then the valuation shall reflect our firm's best assertion of value obtained from various sources including consideration of the initial purchase price (and/or a value as of a previous date), or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). If the valuation reflects initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be significantly more or less than original purchase price.

#### **\*ERISA / Pension Protection Act Of 2006 (PPA)**

We also have IRA accounts and other retirement accounts that are subject to the Pension Protection Act of 2006 (PPA). In all cases, an "eligible investment advice arrangement" or advisory agreement will be executed with the client. We will be considered a "fiduciary advisor" and will charge fees to the retirement account based on a level fees basis, which means the fees will not vary depending on the basis of the investment option selected.

The amount of compensation and other consideration reasonably anticipated to be paid directly or indirectly to us, our affiliates or related entities for their services in connection with the recommendation(s) is not in excess of reasonable compensation within the meaning of § 4975(d)(2) of the Code and ERISA Section 408(b)(2).

### **ITEM 6: PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT**

---

Noesis as a matter of policy and practice does not charge any performance-based fees for its investment management services and does not have any side-by-side management relationships.

### **ITEM 7: TYPES OF CLIENTS**

---

Noesis offers investment advisory services to individuals, including high net worth individuals, pensions and profit-sharing plans, charitable organizations, trusts and estates, corporations, and institutions as well as foreign clients. We typically require a minimum investment of \$500,000 to open an account but this minimum may be waived at our discretion.

### **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS**

---

As discussed in Item 4 of this brochure, Noesis offers portfolio management services directly to clients and families. Noesis has processes in place to ensure that all trades are made in accordance with current

industry regulations and the firm's code of ethics so that Noesis clients are not unfairly advantaged or disadvantaged by the decisions of their Portfolio Manager.

## Investment Strategy

Noesis' seeks to identify companies that we believe: 1) provide superior products or services, 2) are market leaders or efficient competitors, 3) are profitable or have the potential for profitability, 4) possess high quality management teams, 5) have strong financial characteristics, and 6) have sustainable above average growth and earnings predictability. It is our belief that companies that possess these strengths provide the best potential for long-term investment. We also seek to identify companies poised for growth that have attractive valuations, in addition to the financial strength and management capability needed to deal with expansion.

We focus on companies that we believe are undervalued, or at least reasonably valued, relative to the market based upon their strengths and projected growth. Generally, we are reluctant to pay a premium for companies in which we invest; however, certain stocks with price-earnings ratios equal to or above the market as a whole may also be attractive if higher valuations are justified by prospects for growth.

We believe that a well-managed portfolio requires moderate rather than excessive diversification. A moderate degree of diversification enables us to reduce risk without having too many positions to effectively manage. We diversify our portfolios across those sectors that we believe have the best intermediate and long-term prospects. Despite periodic volatility abroad in dollar terms, we believe international portfolio diversification can, at times, increase total long-term returns due to rapid economic growth in many foreign countries. We recognize that there can be significant investment opportunities in markets outside of the U.S. In addition to directly investing in the securities of foreign companies, we also take advantage of international opportunities by investing in U.S. based multinational companies, many of which derive a sizable portion of their revenues and earnings from foreign sources.

## SPACs

Special purpose acquisition companies (SPACs) have become a popular vehicle for transitioning a private company to a publicly traded one. A SPAC is a blank check company with no operations that offers securities for cash through an initial public offering (IPO). SPACs then have a specified period of time—typically two years—to identify and merge with a private operating company. This business combination is often used as an alternative means of taking the acquired company public, rather than through a traditional IPO. However, SPAC transactions differ from traditional IPOs and have distinct risks associated with them. For example, sponsors may have conflicts of interest so their economic interests in the SPAC may differ from shareholders. Our firm does not generally recommend such investments, but will accommodate clients who bring over legacy positions. These types of instruments are only for our sophisticated and accredited investors who can bear the loss and will carefully consider these risks. In addition, while SPACs often are structured similarly, each SPAC may have its own unique features, and it is important for investors to understand the specific features of any SPAC under consideration.

You should also be aware that SPAC sponsors generally acquire equity in the SPAC at more favorable terms than investors in the IPO or subsequent investors on the open market. As a result, the sponsors will benefit more than investors from the SPAC's completion of a business combination and may have an

incentive to complete a transaction on terms that may be less favorable to clients. To learn more, we encourage you to review the SEC's Investor Bulletin regarding SPAC's found here: [SPACs – What You Need To Know | Investor.gov](#).

## Material Risks

There are inherent risks involved with any investment strategy or method of analysis we use and the particular type of security we recommend. Investing in all securities involves risk of loss, which you should be prepared to bear. Specific risks of our significant investment strategies include:

- **Shorting, Margin and use of Leverage:** Noesis may open client accounts as margin accounts. The use of margin can magnify risk to clients. As each account is separately managed, use of margin should be discussed with your Financial Advisor/PM. Private clients wishing to use margin are required to complete a margin agreement. Other forms of leverage which Noesis may use includes options, short sales and derivative instruments or ETFs. Clients should understand the heightened risk associated with these types of activities prior to utilization in their portfolio.
  - **Inverse and leverage securities:** Noesis does not typically recommend inverse and leveraged securities. These types of securities are very short-term and meant to be held for not more than a day. For periods longer than a single day, the leveraged ETF will lose money when the level of the index is flat, and it is possible that the leveraged ETF will lose money even if the level of the index rises.
  - **Shorting:** Noesis also has the ability to short stocks in the client portfolios, for which an elevated level of risk is associated with this strategy. Shorting securities requires the use of margin. Structured products may be offered to clients; however, it is important to note that these products often involve a significant amount of risk. Structured products are intended to be “buy and hold” investments and are not liquid instruments.
- **Cash Levels:** From time to time there may be large cash balances within client accounts. These cash balances earn interest at prevailing rates. If we believe it is in the best interest of our clients, Noesis has the ability to move 100% of an account balance into cash or money market mutual funds. This could cause clients to forego higher returns available in other investments and also has the potential to decrease a client's purchasing power over time.
- **Strategy Differences:** While Noesis' portfolio managers and research personnel share information regarding individual securities and market outlook on a regular and continuous basis, each Investment Team Member has discretion over how the accounts they are responsible for are invested. This causes differences in asset allocation and performance results experienced by Noesis' clients based on the investment decisions of their Portfolio Manager. Due to differences in product choices, restrictions for clients residing in certain countries and other considerations, international clients' portfolios will be structured differently than those clients' portfolios that reside in the United States.

## **ITEM 9: DISCIPLINARY INFORMATION**

---

Noesis has no legal or disciplinary events to report.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS**

---

Noesis B.V, an investment advisory firm located in the Netherlands and founded in 2018, is 100% owned by Noesis Capital Management Corp. Noesis B.V. the Dutch affiliated firm was approved for the provision of investment services referred to in article 2:96 of the Financial Supervision Act (WFT), of the Financial Markets Authority (AFM) on June 24, 2019, and the De Nederlandsche Bank (DNB), which is the central bank of the Netherlands and part of the European System of Central Banks (ESCB).

Certain officers of Noesis are also indirect owners of Noesis B.V. and are entitled to normal compensation arrangements of ownership. When working with clients who live outside the United States, or U.S. citizens living abroad or for clients who wish to invest in securities outside the United States, Noesis will recommend Noesis B.V. as an alternative Investment Advisor when we deem it appropriate. Conversely, Noesis B.V. will recommend clients to our firm should an opportunity arise. Since we are affiliated companies, we have an interest in recommending the services of the other Advisor. As such, clients and prospective clients should be aware of the inherent conflict of interest through ownership of the foreign firm. We mitigate this conflict by informing clients that they are under no obligation to accept the recommendation to use Noesis B.V. or our firm when recommended by Noesis. B.V.

Noesis International Holdings, Inc. is the privately held company of Ellen and Nico Letschert (100% ownership). Noesis International Holdings, Inc. is the Letschert Single Family Office entity and is not available to clients. Nico and Ellen Letschert also own a private security. Mr. Letschert participates as a Board Member for the private company. Noesis makes clients aware of this fact as other sophisticated clients of the firm have also invested in the same private security prior to Mr. Letschert's board membership. The firm does not typically recommend private securities investments to our advisory clients and acknowledges that this particular security has been held for a number of years.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

---

Noesis has adopted compliance and supervisory procedures, which include a formal code of ethics and insider trading policies and procedures. Noesis' code of ethics requires, among other things, that employees:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in global capital markets

- Avoid any actual or potential conflict of interest. Any conflicts that cannot be avoided should be fully disclosed to clients and managed in such a way that the client's interests are put first.
- Conduct all personal securities transactions in a manner consistent with the policy
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities
- Comply with applicable provisions of the federal securities laws

Noesis' compliance and supervisory procedures also requires Employees to:

- Report personal securities transactions on at least a quarterly basis
- Provide Noesis with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest

A copy of Noesis' code of ethics shall be provided to any client or prospective client upon request, free of charge.

Noesis or a related person does not recommend to clients, or buy or sell for client accounts, securities in which Noesis (or a related person) have a material financial interest.

Noesis permits the firm and our related persons to purchase and/or sell the same securities as clients. We have established policies that the firm's account and any of our related employees may only participate in transactions on the same day if the transaction is executed in an average price aggregated trade. If trades cannot be transacted via the average price then employees must wait until the next business day after the client's transactions have been executed.

### **Internal and Agency Cross Trades**

To the extent permitted by law, and in-line with a client's investment guidelines, Noesis may engage in "cross trades" where, as an investment manager to a client account, Noesis will cause that advisory client account to purchase a security from another advisory client account without interpositioning a broker-dealer. This might be done in an effort to reduce transaction costs, increase execution efficiency and capitalize on timing opportunities. Cross transactions present a conflict of interest because Noesis represents the interests of both the selling account and the buying account in the same transaction. As a result, clients for whom Noesis executes cross trades bear the risk that our counterparty to the cross trade may be treated more favorably by us, particularly in cases where the first party pays Noesis higher management fees. Additionally, there is a risk that the price of a security bought or sold through a cross trade may not be as favorable as it might have been executed in the open market. When we permit internal cross transactions, Noesis makes every attempt to ensure that no client is disadvantaged in the trade but cannot absolutely guarantee that is the case. Although Noesis will permit internal cross transactions, the firm does not permit agency cross transactions. Additionally, Noesis does not execute transactions on a principal basis.

## ERISA Accounts

When Noesis provides investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. Our firm wants you to know that the way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice).
- Never put our financial interests ahead of yours when making recommendations (give loyal advice).
- Avoid misleading statements about conflicts of interest, fees, and investments.
- Follow policies and procedures designed to ensure that we give advice that is in your best interest.
- Charge no more than is reasonable for our services.
- We must give you basic information about conflicts of interest. (This ADV Part 2A addresses those conflicts.)

Retirement Rollovers-Potential for Conflict of Interest:

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options):

- (i) leave the money in the former employer's plan, if permitted,
- (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted,
- (iii) roll over to an Individual Retirement Account ("IRA"), or
- (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences).

If we recommend that a client roll over their retirement plan assets into an account to be managed by our firm, such a recommendation creates a conflict of interest if we will earn an advisory fee on the rolled over assets. No client is under any obligation to roll over retirement plan assets to an account managed by our firm. Your Financial Professional remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

## ITEM 12: BROKERAGE PRACTICES

---

Your assets must be maintained in an account at a "qualified custodian," generally a registered broker-dealer or a bank. Clients are free to deem any qualified custodian of their choice. Depending on the products you wish to hold in your account and the services you receive, Noesis will recommend clients custody their assets with Charles Schwab & Co., Inc. ("Schwab") a registered broker-dealer, FINRA Member CRD #5393, TD Ameritrade, CRD #7870 (TDA) or InteractiveBrokers, LLC, ("IB") a multinational brokerage firm, FINRA Member, CRD #36418.

Noesis is independently owned and operated, and is not affiliated with Schwab, TDA or IB. The chosen

qualified custodians will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use these firms as custodian/broker; you will decide whether to do so and will open your account with either Schwab, TDA or IB by entering into an agreement directly with the respective custodian/broker. We do not open the account for you, although we assist you in doing so. Even though your account is maintained at your custodian/broker of choice, we can still use other brokers to execute trades for your account as described below.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available, similar providers and their services. We consider a wide range of factors including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- The qualified custodian also can facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Technology offered by the custodian/broker as well as the quality of services provided
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us

Our recommended qualified custodian/brokers do not charge separately for custody services, but are compensated by charging commissions or other fees on trades that are executed and that settle into your account. Certain trades (for example, many mutual funds and ETFs) may not incur commissions or transaction fees. The custodian/broker is also compensated by earning interest on the uninvested cash in your account in their respective cash programs (For some accounts, Schwab may charge a percentage of the dollar amount of assets in the account in lieu of commissions.)

In addition to commissions and/or asset-based fees, Schwab and TDA charge you a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. When clients hold their account at Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades.

Schwab Advisor Services™ is Schwab’s business serving independent investment advisory firms. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers.

Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we do not have to request them) and at no charge to us.

Following is a more detailed description of Schwab's support services:

- **Services that benefit you.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.
- **Services that may not directly benefit you.** Schwab also makes available to us other products and services that benefit us, but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:
  - Provide access to client account data (such as duplicate trade confirmations and account statements)
  - Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
  - Provide pricing and other market data
  - Facilitate payment of our fees from our clients' accounts
  - Assist with back-office functions, recordkeeping, and client reporting
- **Services that generally benefit only us.** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:
  - Educational conferences and events
  - Consulting on technology, compliance, legal, and business needs

While as a fiduciary, Noesis endeavors to act in its clients' best interests, our recommendation that clients maintain much of their assets in accounts at either Schwab, TDA or IB, may be based in part on the benefit to our firm of the availability of some of the foregoing products and services, and not solely on the nature, cost, or quality of custody and brokerage services provided by the brokers. This may create a potential conflict of interest. Noesis clients may, therefore, incur higher costs than those charged by other discount brokers.

## Trade Errors

There are two types of trade errors: Those that are detected after the trade has settled and those that are detected prior to trade settlement. Noesis corrects errors caused by our firm or our firm's personnel so that the client does not suffer a loss and is not harmed. Trade errors that are detected after a trade has settled in a client account are considered "Client Account Trade Errors." For Client

Account Trade Errors where Noesis is determined to be at fault, Noesis will reimburse the client for any losses resulting from the error. If it is determined that the client is at fault, Noesis may, in its sole discretion, pay the loss or charge the loss (in whole or in part) to the client. Net gains incurred when correcting a Client Account Trade Error will be retained by the client or client's custodian and not Noesis. Trade errors that are detected prior to settlement of a trade in a client account are considered "Adviser Account Trade Errors." Noesis will settle Adviser Account Trade Errors and any correcting trade into its error account. Net gains realized on a correcting trade will be retained by Noesis or the executing broker dependent on our relationship with that firm. Net losses incurred on a correcting trade will be paid by Noesis.

### **Brokerage for Client Referrals**

Noesis receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through Noesis' participation in the Schwab Advisor Network® (the "Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Noesis. Schwab does not supervise Noesis and has no responsibility for Noesis' management of clients' portfolios or other advice or services. Noesis pays Schwab fees to receive client referrals through the Service. Noesis' participation in the Service may raise potential conflicts of interest described below.

Noesis pays Schwab *Participation fees* on all referred clients' accounts that are maintained in custody at Schwab and a *Non-Schwab Custody Fee* on all accounts that are maintained at, or transferred to, another custodian. This fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. *Participation fees* are a percentage of the value of the assets in the client's account. Noesis pays Schwab *Participation fees* for so long as the referred client's account remains in custody at Schwab. *Participation fees* are billed to Noesis quarterly and may be increased, decreased or waived by Schwab from time to time. *Participation fees* are paid by Noesis, not by the client. Noesis does not charge clients referred through the service fees for costs greater than the fees, or costs the firm charges clients with similar portfolios who were not referred through the Service.

The *Non-Schwab Custody Fee* is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The *Non-Schwab Custody Fee* is higher than the *Participation Fee* Noesis would generally pay in a single year. This gives Noesis an incentive to recommend that client accounts be held in custody at Schwab.

The *Participation* and *Non-Schwab Custody Fees* are based on the amount of assets in accounts of Noesis' clients who were referred by Schwab and those referred clients' family members living in the same household. This gives Noesis an incentive to encourage household members of clients referred through the Service to maintain custody of their accounts at Schwab.

### **Internal Cross Trades**

As previously discussed in Item 11, Noesis may engage in internal cross trades. Internal cross trades can benefit clients because the practice of cross-trading securities between internal advisory client accounts, without exposing the security to the market, thereby saving transaction and market costs. However, these types of transactions also pose substantial risks to clients due to the inherent conflicts of interest that are posed to our firm. Noesis must act as a fiduciary to both the buy and sell-side clients. Therefore, we must seek to obtain best execution for both buying and selling clients. To mitigate this risk, we provide

disclosures to clients prior to the transaction, which outline the terms of the transaction and obtain client consent prior to executing the transaction. In addition, our firm has written policies and procedures (which include a prohibition on interpositioning a broker/dealer) as to what procedures the traders will follow while executing an internal cross transaction so that no client is disadvantaged as a result of a cross transaction. In addition, our firm does not permit cross trading in ERISA accounts or with registered investment companies.

### **Directed Brokerage**

Although the client is free to choose a custodian/broker of their choice, Noesis does not accept client direction for executing transactions through a specific broker-dealer. Noesis employs discretion when executing trades at particular broker/dealers.

### **Trade Aggregation & Allocation**

Noesis aggregates client orders at our discretion and based on a belief that the aggregation will seek best execution. Allocation of aggregate orders will be determined the same day of the order entry and allocation to each client account will be done on a rotational or random basis in order to ensure all clients are treated fairly and equitably.

## **ITEM 13: REVIEW OF ACCOUNTS**

---

Noesis conducts periodic account reviews whereby accounts are reviewed by the respective Portfolio Manager to ensure compliance with stated investment objectives and any other account requirements or restrictions. This review is in addition to the ongoing account review that results as a matter of course through our active management style.

Clients receive written quarterly reports from Noesis that contain a listing of securities owned, a description of how their portfolio is allocated, as well as performance measurement. Clients can request that these reports be delivered on a monthly basis if desired.

## **ITEM 14: CLIENT REFERRALS & OTHER COMPENSATION**

---

Noesis has outlined in Item 12, Brokerage, that our firm receives client referrals from Charles Schwab & Co., Inc. (“Schwab”) through Noesis’ participation in Schwab Advisor Network® (“the Service”). Please refer to Item 12 for important disclosures regarding this arrangement.

Besides Schwab, our firm has no other referral arrangements. Any compensation arrangements for referrals will be made pursuant to a written agreement between the outside solicitor or promoter and Noesis. Additionally, clients in such arrangements will be requested to acknowledge the arrangement and will receive any disclosures required under SEC rule 206(4)-3, prior to Noesis’ acceptance of the client’s funds.

Noesis has no other arrangements whereby the firm or related persons of the firm are entitled to receive sales awards, prizes or other economic benefits except for those described in Items 5 and 12 of this disclosure brochure.

## **ITEM 15: CUSTODY**

---

Noesis does not take possession of, or maintain custody of, a client's funds or securities. However, we have been granted certain authorities which constitute custody under the SEC's interpretation of custody. Noesis directly debits fees, however, clients will give Noesis written consent to request that the qualified custodian directly deduct Noesis' investment advisory fees from your account held at the qualified custodian.

In an effort to provide premium service to clients, Noesis is also granted a standing letter of authorization – or “SLOA” – to direct the qualified custodian to enact money movements in and out of a client's account by some clients. The use of SLOAs and other disbursement authorizations effectively allows advisors to act based upon a client's verbal request, without “troubling them” for additional paperwork and signatures every time. Clients will provide initial written authorization to Noesis and the qualified custodian, authorizing the SLOA. Under SEC interpretive guidance, this authority constitutes custody. When an adviser is able to accept verbal authorization from clients, there is always an inherent risk that the adviser may act without the client's verbal authorization. We mitigate this risk by ensuring that the qualified custodian sends transaction notices and client statements directly to the client.

Additionally, Noesis prepares quarterly reports for clients showing client holdings and performance. Clients should also be aware that their qualified custodian will send account statements at least quarterly, which outline all transactional activity in that period, as well as their respective account holdings. Clients should carefully compare the qualified custodian's statement to any reports provided by Noesis to verify transactions and fee disbursements. If clients have any concerns or questions, they should contact Noesis' Chief Compliance Officer at (561) 999-9888 or their qualified custodian.

## **ITEM 16: INVESTMENT DISCRETION**

---

For most clients, our firm will accept limited power of attorney to direct transactions at the designated qualified custodian/broker. This authority is outlined in the Investment Advisory Agreement you, the client, signs with our firm. Once an executed Investment Advisory Agreement has been approved by Noesis granting discretionary authority, Noesis determines which securities to buy or sell on a client's behalf, the amount of securities to be bought or sold on a client's behalf, and the selection of the broker-dealer to use.

## ITEM 17: VOTING CLIENT SECURITIES

---

Noesis maintains a proxy voting policy, procedures, and guidelines designed to ensure that proxies are voted in a manner that maximizes the long-term value of the securities held in our clients' accounts. While we will allow clients to vote the proxies in their own accounts if they prefer, in most cases, we accept authority to vote proxies for our clients. For those clients that retain the ability to vote proxies themselves, clients will not receive information about their proxies from Noesis and should instead receive proxies from their custodian, transfer agent, or other third-party service provider such as their proxy service provider. When voting proxies, we pay particular attention to the following matters in exercising our proxy voting responsibilities for our clients:

- **Accountability.** Each company should have effective controls in place to hold those entrusted with managing a company's business accountable for their actions. Company management should be accountable to its board of directors and the board should be accountable to shareholders.
- **Alignment of Management and Shareholder Interests.** Each company should seek to align the interests of management and the board of directors with the interests of the company's shareholders. For example, we believe that compensation should be designed to reward management for creating value for the shareholders of the company.
- **Transparency.** Each company should provide timely disclosure of important information about its business operations and financial performance to enable investors to evaluate the company's performance and to make informed decisions about the purchase and sale of the company's securities.

Noesis engages the assistance of third-party proxy research service providers such as Bloomberg and occasionally Refinitiv to assist us in research and decision-making about how the client's proxies will be voted. These third-party research firms provided data regarding governance and executive compensation, which helps us in making decisions about how we will vote client proxies. Our CCO is responsible for monitoring these relationships.

If we determine that there is a material conflict of interest between Noesis (or a Noesis employee) and our clients, our procedures provide that we abstain from voting. Noesis will promptly notify the client if we should determine that we will abstain from voting the proxy.

Our written proxy voting policy and procedures, as well as a complete record of how we have voted proxies in the past, are available to clients upon request. Please contact the firm's Chief Compliance Officer at (561) 999-9888 for a copy of either.

Clients occasionally receive notices of class action settlements involving a security held in their portfolio, past or present. The client retains the right to file claims for class-action settlements. If requested, Noesis will assist clients with the completion of the class-action settlement claim form. It is the client's responsibility to promptly forward any notices received.

## **ITEM 18: FINANCIAL INFORMATION**

---

Noesis does not maintain custody of client funds or require or solicit the pre-payment of more than \$1,200 in fees per client, six (6) months or more in advance. Noesis is not currently and has never been the subject of a bankruptcy petition. The firm has no financial conditions that are likely to impair our ability to meet contractual obligations to our clients.