



A REGISTERED INVESTMENT ADVISOR

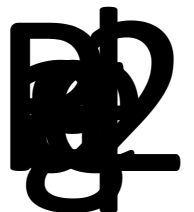
**1801 Clint Moore Road, Suite 100
Boca Raton, Florida 33487
www.noesis-capital.com
(561) 999-9888**

This Brochure provides information about the qualifications and business practices of Noesis Capital Management, Corp. (Noesis Capital, NCM). 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 Capital 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 NCM or its representatives.

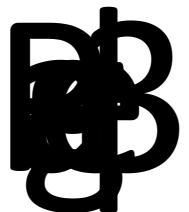
ITEM 2: MATERIAL CHANGES

NCM has not experienced any material changes since the firm's last brochure was filed on March 28, 2011. Additional information about Noesis Capital is also available on the SEC's website at www.adviserinfo.sec.gov.

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ITEM 4: ADVISORY BUSINESS

Firm Description

Noesis Capital 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 Noesis International Holdings, Inc., Joseph Lai (CFA), and Jeremiah Spitzberg (CFA, CPA). Noesis International Holdings, Inc. is owned by NCM's CEO / CCO, Nicolaas Letschert (CFP®).

As of November 30, 2011, our assets under management consisted of:

	Number of Accounts	Assets Under Management
Discretionary	815	\$237,320,967
Non-Discretionary	26	\$6,438,437
Total	841	\$243,759,404

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. NCM obtains information pertaining to each account's investment objectives, time horizon, and tolerance for risk so that portfolios can be tailored to meet individual needs. 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.

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 regular and continuous basis. The firm's Chief Portfolio Manager, Joseph Lai, CFA, leads the firm's research efforts and provides guidance to Noesis' other Portfolio Managers. This gives the firm a common investment philosophy and results in many client portfolios owning common securities, however final discretion is given to each account's PM. This periodically 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.

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

Participation in Wrap Fee Programs

NCM participates as a manager in wrap fee programs sponsored by other investment advisors. We receive a portion of the fee that is paid to the program sponsor in exchange for portfolio management services. The plan sponsor provides information concerning each account's investment restrictions.



objectives, time horizon, and tolerance for risk so that portfolios may be tailored to each client's needs. Stephen Smith, CFA, is the lead Portfolio Manager of the firm's accounts offered through wrap fee programs. These portfolios are branded as Noesis Core Equity Portfolios. Mr. Smith participates in the firm's research process and regularly shares information and views with other PMs, but has final discretion over Noesis Core Equity Portfolios. This results in portfolios that differ from other accounts managed by Noesis. Noesis Core Equity Portfolios may own similar securities to other Noesis clients but holding periods may differ. The firm 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 NCM clients are not unfairly advantaged or disadvantaged by the decisions of their Portfolio Manager.

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 \$500,000	1.75%
Next \$500,000	1.25%
Next \$1 Million	0.75%
Above \$2 Million	Negotiable

**Portfolios managed by NCM through wrap programs are charged a fee of 0.50% in addition to the fee charged by the wrap program's sponsor.*

Fees are negotiable and may differ from the standard fee schedule above. 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 day of the month of the preceding quarter. Clients have the option of having fees billed to them or having them deducted directly from their investment accounts.

Noesis charges a minimum annual fee of \$5,000, which may be waived at the firm's discretion. The firm does not charge a separate fee for financial planning services.

Payment of Fees

Noesis' fee for advisory services will be based on the ending value of the account on the last day of the preceding quarter (excluding debits, as applicable) and is payable in advance. For valuation purposes, the assets will be treated as if they were held in the account at the end of the quarter. The first quarterly fee is payable in advance upon opening the account.

Termination of Contracts

Agreements may be terminated at any time by the client or by Noesis by giving written notice. Fee



in advance will be prorated to the date of termination 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 its effective date. 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

The advisory fee structure described above does not cover debit balances or related margin interest, SEC fees, brokerage or related transaction costs, 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 in addition to fees paid to Noesis' fee for advisory services. Additional information about NCM's brokerage practices is available in Item 12 of this brochure.

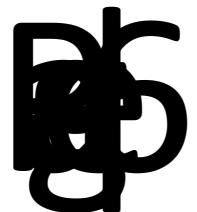
Mr. Nicolaas Letschert (CEO/CCO) is also an associated person of ITA Financial Services Inc. (formerly Noesis Capital Corp. and hereinafter referred to as "ITA"), a Broker/Dealer registered with the Securities and Exchange Commission, Financial Industry Regulatory Authority "FINRA") and various state regulatory bodies. In this capacity, Mr. Letschert may be involved in the sale of various types of securities, including but not limited to, stocks, bonds, annuities and mutual funds. Mr. Letschert spends less than 10% of his time selling securities and 90% of his time providing investment advice. Mr. Letschert, in his capacity as an associated person of ITA, may provide a variety of services to clients for which he may be compensated. For all such transactions, ITA acts as a broker and does not maintain an inventory of securities. To the extent that an advisory client chooses to utilize ITA's services as a Broker/Dealer, Mr. Letschert may earn compensation in the form of brokerage commissions in addition to advisory fees. The brokerage commissions and/or transaction fees charged by ITA may be higher or lower than those charged by other broker-dealers. Due to his association with ITA, Mr. Letschert may have a conflict of interest with advisory clients. This conflict may result in an incentive for Mr. Letschert to recommend security transactions that generate additional revenue; however, Mr. Letschert will adhere to Noesis Capital's Code of Ethics and fiduciary duty to place client interests first. Additionally, clients of Mr. Letschert are given the option to use a Broker-Dealer other than ITA.

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

Noesis Capital Management does not charge advisory fees based on a share of capital gains or appreciation of a client's assets.

ITEM 7: TYPES OF CLIENTS

NCM offers investment advisory services to individuals, pensions and profit sharing plans, charitable organizations, trusts and estates, corporations, and institutions. 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 (Private Clients) as well as offering portfolio management services to clients through wrap fee programs sponsored by other investment advisors (Noesis Core Equity Portfolios). Similarities within the philosophies utilized to manage both groups of accounts may result in common holdings between Private Clients and Noesis Core Equity Portfolios, but due to differences in strategy, the holding periods for common securities may differ. NCM 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 NCM clients are not unfairly advantaged or disadvantaged by the decisions of their Portfolio Manager.

Investment Strategy – Noesis Capital Private Clients

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 rapid 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 earnings 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 industries 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 significant portion of their revenues and earnings from foreign sources.

Investment Strategy – Noesis Core Equity Portfolios

Noesis Core Equity Portfolios are actively managed accounts offered through wrap fee programs sponsored by other investment advisors. Accounts are typically comprised of 25 to 35 large and medium capitalization stocks. Portfolio composition is determined through an evaluation of a client's income needs, risk tolerance, and prevailing macro-economic conditions.

Core Equity employs a disciplined, multi-factor stock selection process to identify companies the



portfolio manager believes to be priced at attractive relative valuations, and appear poised to deliver superior earnings results over the next 9 to 18 months. Companies are screened for growth potential characteristics including sustainable earnings, improving fundamentals, expanding margins and compounding ROE. The bias of the stock selection process shifts between value and growth factors as dictated by market dynamics and relative performance patterns. Stocks are sold due to deteriorating fundamentals or poor relative price strength.

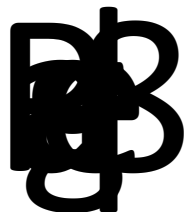
Material Risks

There are inherent risks involved for each 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 IAR. Separately managed accounts wishing to use margin are required to complete a margin agreement. Other forms of leverage which Noesis may use, include options, short sales and other inverse or leveraged derivative instruments. Noesis also has the ability to short stocks in the client portfolios, and a high level of risk is associated with this strategy. Shorting securities requires the use of margin. Noesis believes shorting provides additional opportunities to make money for margin approved clients if we deem a stock to be overvalued. Structured products may be offered to certain 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 money market 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 Portfolio Manager has final discretion over how the accounts they are responsible for are invested. This causes differences in the performance results experienced by Noesis’ clients based on the investment decisions of their Portfolio Manager.

ITEM 9: DISCIPLINARY INFORMATION

There are no legal or disciplinary events we deem to be material to a client’s or prospective client’s evaluation of Noesis Capital Management.



ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

Mr. Nicolaas Letschert (CEO/COO) is an associated person of, and has an ownership interest in, ITA, a registered broker-dealer. This relationship creates a potential conflict of interest which may cause Noesis personnel to suggest investments that pay a commission or benefit ITA. NCM monitors the recommendations our Investment Advisor Representatives make on a daily basis and rely on internal policies and procedures to detect unsuitable transactions.

With the exception of the employee named above, neither Noesis nor any of our management persons, are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Noesis nor any of our management persons are registered, or have an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities, or have any relationship or arrangement that is material to our advisory business or to our clients that we or any of our management persons have with any related person that is, under common control and ownership, a:

- Investment company or other pooled investment vehicle,
- Other investment adviser or financial planner,
- Futures commission merchant (or commodity pool operator or commodity trading advisor),
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,
- Insurance company or agency,
- Real estate broker or dealer, or
- Sponsor or syndicator of limited partnerships.

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

- Place the integrity of the investment profession, the interests of clients, and the interests of Noesis above their own personal interests
- Adhere to the fundamental standard that they should not take inappropriate advantage of their position
- 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
- Practice and encourage others to practice in a professional and ethical manner, which will reflect credit on themselves and the profession
- Promote the integrity of, and uphold the rules governing, capital markets
- Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals
- Comply with applicable provisions of the federal securities laws

Noesis' compliance and supervisory procedures also requires Employees to:

- Pre-clear certain personal securities transactions
- 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.

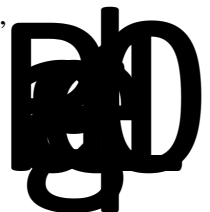
Noesis does not nor does a related person recommend to clients, or buy or sell for client accounts, securities in which Noesis (or a related person) have a material financial interest.

Neither Noesis, nor does a related person, recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that Noesis (or a related person) buy or sell the same securities for its own (or the related person's own) account.

Additionally, Noesis does not execute transactions on a principal basis.

ITEM 12: BROKERAGE PRACTICES

Noesis seeks to obtain the most favorable net results for clients including price, execution quality, services and commissions.



Best Execution

Noesis will perform an ongoing review process (“Best Execution Review”) of each broker it utilizes. NCM will document the results of its review process and its decision on whether to change or continue with the broker. In addition, the firm will perform periodic post-trade analyses of the execution quality for each of its brokers to evaluate their performance.


On a semi-annual basis, Noesis will formally review the results of its Best Execution Review for the previous year to determine whether to continue the existing brokerage arrangements or amend them based upon its results.

Soft Dollars

Brokerage transactions may be placed with a limited number of brokers which provide Noesis with research products and services that are paid for at higher prices and/or commission rates than other firms may charge. The term “research products and services” includes advice as to the value of securities, the advisability of holding, purchasing or selling securities, and furnishing analyses and reports concerning issues, industries, securities, economic factors and trends, portfolio strategy and performance of accounts. Noesis is under no obligation to send trades to any broker; however, we utilize brokers that we believe provide useful research products that assist us with our investment management process. We seek to use this information for the benefit of all our clients.

The overall reasonableness of commissions paid will be evaluated by Noesis by comparing the speed of execution and settlement, price paid or received for securities bought or sold, and the amount of commission paid among the brokers selected by Noesis to effect transactions, and by judging the quality, timeliness and quantity of research information and reports. When Noesis utilizes client brokerage commissions to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the products or research. The expenses of items subject to these arrangements may or may not be expenses that would otherwise be borne by the client.

Noesis participates in Charles Schwab & Co.’s, Schwab Institutional Service Program (hereinafter referred to as “SI”). While there is no direct linkage between the investment advice given and participation in the SI program, economic benefits are received which would not be available if Noesis did not participate in the program. These benefits may include receipt of duplicate client confirmations and bundled duplicate statements, access to a trading desk serving SI participants exclusively, ability to have investment advisory fees deducted directly from client accounts, access to an electronic communication network for client order entry and account information, receipt of compliance publications, participation in Schwab-sponsored conferences, and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors. NCM understands that the benefits received through its participation in the SI program generally does not depend upon the amount of transactions directed to, or amount of assets custodied by, Charles Schwab & Co., Inc. Many of these services may be utilized to service all or a substantial number of our clients’ accounts. Educational, research, or other services provided by Schwab may benefit all of the firm’s clients, or may only benefit some clients. 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



Charles Schwab & Co., Inc., 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. We do believe, however, that the commission is reasonable in relation to the value of the services received. In making this determination, we have considered factors other than the lowest possible cost. Factors considered include whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Also, please note that we prefer to recommend custodians who possess significant size and financial resources, for purposes of enhanced safety of clients' funds. For all of these reasons, the lowest cost custodian may not be recommended to clients by Noesis.

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 NCM 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. Participation Fees are a percentage of the value of the assets in the client's account. NCM 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. NCM does not charge clients referred through the Service fees or costs greater than the fees or costs the firm charges clients with similar portfolios who were not referred through the Service.

Noesis generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from, Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. 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.

For accounts of Noesis' clients maintained in custody at Schwab, Schwab generally does not charge the client separately for custody but receives compensation from the client in the form of commissions or other transaction-related compensation on securities trades Schwab executes for the client's account. Clients also pay a fee for clearance and settlement of trades executed through broker-dealers other

Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealers' fees. Noesis may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. NCM acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for other Noesis clients. Trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

Directed Brokerage

Certain Noesis clients may direct us to effect securities transactions for their accounts through brokers designated by the clients. Clients who direct brokerage should consider the following:

- The client should review the existence and terms of Noesis' brokerage placement practices
- The client may forego any benefit from savings on execution costs that Noesis may be able to obtain for its clients through negotiating volume discounts on batch transactions
- Though Noesis generally allocates batched transactions on a random basis, execution of orders that have directed a particular broker may be delayed until execution of non-directed orders have been completed
- Clients who direct the adviser to use a specific broker may pay higher commissions on transactions that might be obtained by Noesis, or may receive less favorable executions of transactions, or both
- A client directing brokerage may not be able to participate in an allocation of shares of new issues if those new issue shares are provided by another broker. A client that has not directed his brokerage will generally be unable to participate in an allocation of shares of a new issue if those new issue shares are provided by brokers other than the broker that is the custodian of the client's account.
- In the event that a client is referred to Noesis by a broker, Noesis has a potential conflict between the client's interest in obtaining best execution and Noesis receiving future client referrals from the broker. Noesis attempts to mitigate this conflict by allowing clients to choose any broker that they wish to execute securities transactions for the account.

Cross Trades

Generally, Noesis will not conduct cross-trades unless it is in one client's best interest to sell a security while it is in another client's best interest to buy the same security. For such trades, Noesis is able to obtain better bid and/or ask prices by effecting a cross-trade, whereby Noesis effects a buy and sell of the security through a broker into each client's account. Noesis maintains policies and procedures to avoid conflicts of interest and to ensure that no client is disadvantaged when processing such trades.

Trade Errors

Any trading mistake or incorrectly placed order which results in a loss in value of the client's investments will be reversed and Noesis will be responsible for the loss. Noesis shall not be responsible for any gains that the client may have obtained had Noesis originally placed the correct order. Where a trading results in an increase in the value of the client's assets, the client will retain any such gain. Noesis



take steps necessary to minimize trading errors and if a pattern of errors is discovered, the firm will make any reasonable revisions to its policies necessary to avoid such trading errors in the future.

Trade Allocation

NCM may aggregate client orders. Aggregation will be consistent with Noesis' duty to 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 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 their 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 Capital that contain a listing of securities owned, a description of how their account is allocated, as well as performance measurement. Clients can request that these reports be delivered on a monthly basis if desired. These reports are delivered in addition to written statements sent directly to clients from the qualified custodian of their account. We urge clients to compare the statements received from their custodian with those sent from Noesis Capital. Clients should immediately inform us of any discrepancy noted between the custodian records and the reports Clients receive from us.

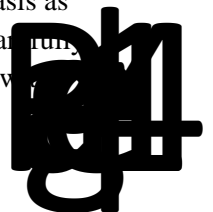
ITEM 14: CLIENT REFERRALS & OTHER COMPENSATION

Non-employee (outside) consultants who are directly responsible for bringing a client to Noesis, such as accountants, attorneys and other professionals, may receive compensation from NCM.

Referral fees are generally a percentage of the annual management fees earned by Noesis on referred accounts and represent no additional expenses to the client. In such cases, Noesis will ensure that these persons are affiliated with Noesis, licensed as representatives of Noesis, or licensed as an independent investment advisor, as required by applicable federal and state laws. Any such compensation arrangements will be made pursuant to a written agreement between the outside consultant and Noesis. Additionally, clients in such arrangements will be requested to acknowledge the arrangement, and will receive all disclosures required under SEC rule 206(4)-3, prior to Noesis' acceptance of the client's funds.

ITEM 15: CUSTODY

Clients receive written account statements from their qualified custodian on at least a quarterly basis as well as written quarterly statements generated by NCM. These statements should be reviewed carefully. We urge clients to compare the statements received from the qualified custodian of their account with



those sent from Noesis Capital.

Noesis Capital Management does not maintain custody of client funds or securities.

ITEM 16: INVESTMENT DISCRETION

Once an executed Investment Advisory Agreement has been approved by Noesis granting discretionary authority, NCM may determine which securities to buy or sell on a client's behalf, determine the amount of securities to be bought or sold on a client's behalf, and determine the client's fee schedule for transactions. These decisions are only limited by the objectives, limitations and restrictions set forth in the client's Advisory Agreement.

ITEM 17: VOTING CLIENT SECURITIES

Unless otherwise directed, NCM votes proxies for clients. We vote proxies in the interest of maximizing shareholder value. We have developed proxy voting policies and procedures pursuant to SEC rule 206(4)-6 and take great care to vote proxies in a way that we believe to be consistent with our fiduciary duty. Consideration will be given to both the short and long-term implications of the proposal to be voted on when considering the optimal response. Noesis has appointed individuals who are responsible for identifying the proxies upon which the firm will vote, voting the proxies in the best interest of our clients, and submitting proxies promptly and properly.

If we determine that there is a material conflict of interest between NCM (or an NCM employee) and our clients, our procedures provide for the immediate engagement of an independent third party, at our expense, to determine the appropriate vote. Any vote cast by an independent proxy voting service is binding and may not be overridden by Noesis.

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 may also direct how Noesis should vote their shares in a particular solicitation by contacting the Chief Compliance Officer.

ITEM 18: FINANCIAL INFORMATION

Noesis Capital does not maintain custody of client funds or require or solicit the pre-payment more than \$1,200 in fees per client and 6 months or more in advance. NCM is not currently, nor has it been at any time in the past ten years, the subject of a bankruptcy petition. The firm has no financial conditions that are reasonably likely to impair our ability to meet contractual obligations to our clients.

