

**Part 2A of Form ADV: *Firm Brochure***

**V2 Capital, LLC**

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March 30, 2012

This brochure provides information about the qualifications and business practices of V2 Capital, LLC. If you have any questions about the contents of this brochure, please contact us at 847-201-3620 or [info@v2capital.com](mailto:info@v2capital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

V2 Capital is an SEC registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about V2 Capital, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 150429.

## **Item 2     Material Changes**

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated March 30, 2012, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

Currently, our Brochure may be requested by contacting Michael Holleb at (847) 201-3620 or michael@v2capital.com.

Additional information about V2 Capital is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with V2 Capital who are registered, or are required to be registered, as investment adviser representatives of V2 Capital.

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## Item 4     **Advisory Business**

V2 Capital, LLC is a SEC-registered investment adviser with its principal place of business located in Illinois. V2 Capital, LLC began conducting business in 2004.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Victor P Viner, Managing Member, CEO

V2 Capital, LLC offers the following advisory services to our clients:

### **Advisory Accounts**

Our firm offers personalized investment advisory services to individuals and family offices. These services include the management of equity derivative overlay and exit strategies for its advisory clients with concentrated equity holdings. These strategies are actively managed and tailored to the needs and objectives of each client. Individual Clients discuss their investment goals and any restrictions with V2 Capital. V2 Capital and the client agree to the level of risk acceptable to the client before any program begins.

V2 Capital also advises advisory clients on investments in private trading funds. These funds can have a variety of trading strategies and may utilize a variety of asset classes. The trading funds are not related to or affiliated with V2 Capital.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

### **Separately Managed Accounts**

V2 Capital also advises clients that invest in Separately Managed Accounts ("SMAs"). V2 Capital offers the following SMAs:

The **V2 CORES U.S. Enhanced Dividend Portfolio** incorporates selling index call options to increase the yield on holdings of select dividend paying S&P 500 stocks. The portfolio's investment objective is to provide a total risk adjusted return greater than the benchmark index. The portfolio also seeks to provide a high level of current income through dividends as well as premiums received from the sale of index call options. Clients have the ability to impose restrictions on certain elements of the trading portfolio. Such restrictions are discussed and agreed to in writing prior to any trading.

V2 Capital does not participate in, or manage any wrap fee programs or accounts.

All client accounts are managed on a discretionary basis, using a limited trading authorization agreement which each client signs and approves when an account is opened or an Advisory program is initiated.

## **AMOUNT OF MANAGED ASSETS**

As of 2/29/2012, we were actively managing \$242,259,112 of clients' assets on a discretionary basis. V2 Capital has no non-discretionary basis accounts under management.

### **Item 5 Fees and Compensation**

#### **V2 Capital Advisory Account Fees:**

A minimum of **\$100,000,000** of assets under management is required for this service. This account size may be negotiable under certain circumstances. V2 Capital, LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

V2 Capital's annual standard fee is 0.75% of the assets under management. While it is the general policy of V2 Capital to assess fees to clients in accordance with the fee in effect at the time of the charge, such fees are negotiable. V2 Capital believes that its fees are reasonable in view of the services it provides, however, services similarly described may be available for lower fees from other sources. Additionally, V2 Capital may agree to alternative fee arrangements for specific clients depending on the extent and cost of the services provided to such clients. Factors considered by V2 Capital in negotiating fees may include: the amount of assets under management ("AUM"); the type of AUM; prior relationships with V2 Capital and/or its employees; and the amount of administrative services that will be provided to the client. However, a client's investment advisory agreement with V2 Capital will explicitly indicate the agreed upon fee and will ultimately control any conflict between the preceding statement and the standard fee.

Fees are generally billed to the client, in advance, either monthly or quarterly (the "accounting period") based on the market value of the underlying securities on the last trading day prior to the beginning of the accounting period. Fees are prorated based on the number of days within an accounting period that an account was open. In the event of termination, investment advisory fees are prorated to the date of termination and, to the extent that fees have been paid for periods beyond the termination date, the fees will be refunded.

V2 Capital may charge a Fixed Fee instead of percentage of assets under management fee. On a client-by-client basis, the V2 Capital and client may negotiate a Fixed Fee billed either monthly or quarterly. The amount of the Fixed Fee will vary depending on the type of advisory services requested and the size of the client's portfolio. Fees are negotiated from time to time based on size of account, related accounts, and length of relationship.

## **V2 Capital SMA Management Fees**

Management fees for the SMA portfolio are generally deducted directly from client assets, monthly in arrears, based on the month ending net asset value of the Client Account.

V2 Capital's annual standard fee is 0.80%.

V2 Capital reserves the right to negotiate all management fees, and the above SMA portfolio may be offered at a reduced fee at V2 Capital's discretion. Factors considered by V2 Capital in negotiating fees may include: the amount of AUM; the type of AUM; prior relationships with V2 Capital and/or its employees; and the amount of administrative services that will be provided to the client. However, a client's investment advisory agreement with V2 Capital will explicitly indicate the agreed upon fee and will ultimately control any conflict between the preceding statement and the standard fee.

A minimum of **\$15,000,000** of assets under management is required for this service. This account size may be negotiable under certain circumstances. V2 Capital, LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

## **GENERAL INFORMATION**

**SMA Account Termination Procedures:** Generally, either party may terminate the investment management agreement by giving at least ten (10) days' notice in writing to the other. Upon termination, all securities will be liquidated unless otherwise requested in writing and signed by client. Upon termination of any account(s) under the agreement, client shall be responsible for any commissions, redemption, or other fees assessed by custodian.

Management fees will be collected until V2 Capital receives written notice from client to terminate the account and has a reasonable amount of time to act on the instructions. Should the account value drop to a level that V2 Capital is not able to manage efficiently, V2 Capital will notify the client in writing to deposit funds within 3 days. If the account is not adequately funded within the specified time frame, V2 Capital may liquidate and close the account. The account proceeds will be mailed to the address of record and client will be responsible for any tax liabilities incurred.

V2 Capital's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to V2 Capital's fee, and V2 Capital shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that V2 Capital considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g., commissions).

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

## **Item 6      Performance-Based Fees and Side-By-Side Management**

V2 Capital does not charge any performance based fees (fees based on a share of capital gains or capital appreciation of the assets of a client)

## **Item 7      Types of Clients**

V2 Capital, LLC provides advisory services to the following types of clients:

- High net worth individuals
- Family Offices
- Limited Liability Companies
- Corporations or other businesses not listed above

V2 Capital expects to include pension funds, endowments and other institutional accounts in the future.

### **Conditions for Managing Advisory Accounts**

V2 Capital generally requires a minimum of \$100,000,000 to open and maintain an advisory account (e.g. management of equity derivative overlay and exit strategies). V2 Capital may waive this requirement in its discretion if, for example, the client appears to have significant potential for increasing its assets under management.

### **Conditions for Managing Separately Managed Accounts**

V2 Capital generally requires a minimum of \$15,000,000 to open and maintain a V2 CORES U.S. Enhanced Dividend Portfolio account. V2 Capital may waive this requirement in its discretion.

V2 Capital reserves the right to accept accounts below the minimum requirements, or to retain accounts that have dropped below a minimum requirement due to market fluctuation or investment activity. Accounts that have a family, corporate or other relationship may be aggregated for the purposes of these minimums.

Clients of V2 Capital's SMA Program must sign an investment advisory agreement with V2 Capital and the applicable paperwork with the underlying custodian. V2 Capital currently uses Pershing, LLC as custodian for its SMA Program.

## **Item 8      Methods of Analysis, Investment Strategies and Risk of Loss**

### **METHODS OF ANALYSIS/ INVESTMENT STRATEGIES**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

#### **Advisory Accounts**

V2 Capital's management of equity derivative overlay and exit strategies are intended for clients with concentrated equity holdings. These programs are specifically designed and actively managed to meet the needs and objectives of each client. V2's discretionary management begins once a strategy or strategies have been identified and agreed upon by V2 and the client.

Most advisory client strategies employ equity over-the-counter ("OTC") and listed equity derivatives. As an example, typical yield enhancement strategies involve the sale of equity call options on underlying equity securities already owned by a client. Exit strategies can combine the purchase and sale of different equity derivative contracts based on the needs and goals of the strategy.

These strategies utilize quantitative and statistical analysis. These methods include generating and analyzing probability distributions, correlation analysis, statistical regression, and time-series analysis. These methods are focused on equity security prices as well as the volatility of equity security prices, both historical and that implied by exchange traded option contracts. The main sources of information used as part of these analysis, historical and current stock price as well as option price information, are Bloomberg and the World Wide Web.

From time to time, V2 Capital may also utilize fundamental analysis and technical analysis of underlying equity securities in the management of equity derivative overlay and exit strategies.



## **RISK OF LOSS ADVISORY ACCOUNTS**

V2 Capital's yield enhancement and exit strategies, like all investment programs, have certain risks that are borne by the investor. Clients typically maintain ownership of the underlying equity securities during these strategies. Although the strategies may provide some downside protection, the client is still exposed to the risks of owning equity securities. Such as the market risk and business risk. Clients should be prepared to bear these risks of loss. In addition, as part of these strategies, clients may be required to sell some or all of the equity shares committed to a program or strategy.

In addition, yield enhancement and exit strategies do not guarantee clients that they will be able to achieve the intended results. Yield enhancement strategies, which incorporate the sale of call options, limit the opportunity to profit from an increase in the market value of the underlying equity security. Also, the performance of the underlying equity security can potentially prevent a given strategy from achieving its stated goal (e.g. target exit price, target yield enhancement). Unusual market conditions or the lack of a ready market for any particular option at a specific time may reduce the effectiveness of a strategy.

### **V2 CORES U.S. Enhanced Dividend Portfolio**

In the management of the equity securities held by (or considered for) the V2 CORES U.S. Enhanced Dividend Portfolio, V2 Capital will utilize quantitative and fundamental analysis which incorporates information from a variety of sources. The sources include, but are not limited to: financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, filings with the SEC, and company press releases. Additional sources of information that V2 Capital may use include are Bloomberg, Thomson Reuters, Starmine, and the World Wide Web.

The options written for the CORES Portfolio utilize the same analysis described above for the equity derivative overlay and exit strategies.

V2 CORES U.S. Enhanced Dividend Portfolio incorporates selling index call options to increase the yield on holdings which consist of select dividend paying S&P 500 stocks. The combination of the stock portfolio, the cash flow from dividends and the sale of index call options is intended to provide the Portfolio with the majority of the returns associated with equity market investments while exposing investors to less risk (defined as volatility) than other equity investments. The Portfolio also seeks to provide current income through dividends as well as premiums received from the sale of index call options.

The equity selection process for the CORES dividend portfolio incorporates quantitative and qualitative analysis. Equity holding focus on companies with solid balance sheets, consistent and sustainable dividend policies, and attractive long term growth prospects.

The Portfolio typically invests in companies with medium or large market capitalizations. Equity securities purchased by for the Portfolio may include U.S.-exchange-listed common stocks, American Depositary Receipts (ADRs), and interests in real estate investment trusts (REITs).

In addition, as part of the V2 CORES U.S. Enhanced Dividend Portfolio, V2 Capital systematically sells customized exchange traded (FLEX) and listed S&P 500 index call options to generate portfolio income. The premium received from selling options “enhances” the overall portfolio yield, provides some downside protection, and helps to dampen the volatility of returns. The Portfolio exclusively focuses on selling short-dated (typically 30-75 days to expiration), exchange traded S&P 500 index options. These options are diversified across strike prices as well as maturity dates.

The CORES Portfolio not only strives for the majority of the returns associated with equity market investments, but also returns in excess of those available from other investments comparable in volatility. With its core investment in equities, the Portfolio is significantly less vulnerable to fluctuations in value caused by interest rate volatility, a risk factor present in both fixed income investments and “hybrid investments” (blends of equity and short-term fixed income). The Portfolio intends that its index option-based strategy will limit the volatility inherent in equities while sacrificing less of the higher equity returns than hybrid investments.

All investment programs have certain risks that are borne by the investor. Investing in equity securities, as with the V2 CORES U.S. Enhanced Dividend Portfolio, involves risk of loss that clients should be prepared to bear. The principal risks of investing in the Portfolio are summarized below. The Portfolio does not represent a complete investment program. Clients may lose money by investing in the Portfolio.

### **RISK OF LOSS SEPERATELY MANAGED ACCOUNTS (CORES)**

*Correlation Risk:* The effectiveness of the CORES Portfolio’s index option-based yield enhancement strategy may be reduced if the performance of the Portfolio’s equity portfolio does not correlate to that of the index underlying its option positions.

*Equity Securities Risk:* The value of the Portfolio’s investments in equity securities could be subject to unpredictable declines in the value of individual securities and periods of below-average performance in individual securities or in the equity market as a whole. Equity Securities may include common stocks, preferred stocks, warrants, securities convertible into common and preferred stocks and other equity-like interests in an entity. In the event an issuer is liquidated or declares bankruptcy, the claims of owners of the issuer’s bonds and preferred stock generally take precedence over the claims of those who own common stock.

Mid-capitalization companies may be subject to more abrupt price movements, limited markets and less liquidity than larger, more established companies, which could adversely affect the value of the Portfolio.

*Management Risk:* A strategy used by the Portfolio's managers may fail to produce the intended result.

*Market Risk:* The market value of a security will move up and down, sometimes rapidly and unpredictably, based upon a change in an issuer's financial condition, as well as overall market and economic conditions.

*Options Risk:* The value of the Portfolio's positions in index options could fluctuate in response to changes in the value of the underlying index. Writing index call options can reduce the volatility of returns associated with owning stocks, but it limits the opportunity to profit from an increase in the market value of stocks in exchange for up-front cash at the time of selling the call option. Unusual market conditions or the lack of a ready market for any particular option at a specific time may reduce the effectiveness of the Portfolio's option strategies, and for these and other reasons the Portfolio's option strategies may not reduce the Portfolio's volatility to the extent desired.

*Risks for all forms of analysis:* Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

*Risk of Loss:* Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9      Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

## **Item 10      Other Financial Industry Activities and Affiliations**

V2 Capital is affiliated with V2 Capital Management, LP (the "V2 Management") and each of V2 Capital Partners, LP and V2 Capital Partners, LLC (together, the "V2 Partners"). V2 Capital, V2 Management and V2 Partners are registered with the SEC under the Advisers Act pursuant to the V2 Capital's registration in accordance with SEC guidance. These affiliated investment advisers operate as a single advisory business and serve as managers or general

partners of certain private investment funds that will commence operations in the future. These entities may share common owners, officers, partners, employees, consultants or persons occupying similar positions.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

V2 Capital, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at V2 Capital must acknowledge the terms of the Code of Ethics annually, or as amended.

V2 Capital, LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

In their personal investment activities, all officers, directors and staff of V2 Capital are directed to place the interests of clients before their own personal interests. All personal securities transactions must be conducted consistent with the Code and in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust or responsibility. No one affiliated with V2 Capital may take advantage of his or her position. All persons abiding by the Code must seek to comply with federal securities laws to the best of their ability.

Generally, V2 Capital personnel may not effect transactions in securities for their own account, or for accounts in which they have an interest or control where such securities are simultaneously contemplated for purchase or sale for a client account or are the subject of an unexecuted order for a client account. In addition, V2 personnel may not purchase and sell the same security for a gain within any 30-day period.

Limitations also exist on V2 Capital personnel's ability to participate in initial public offerings and private placements. All personnel are required to have duplicate copies of confirmations

or statements with respect to every brokerage account they have sent to V2 Capital in order to monitor compliance with V2 Capital's personal trading policies and restrictions. Personnel must report all personal securities transactions no less than quarterly. V2 Capital policies and procedures with respect to employee's personal trading in securities in which V2 Capital invests are in compliance with V2 Capital's Code of Ethics.

It is V2 Capital's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. V2 Capital will also not cross trades between client accounts.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated fund or portfolio and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [michael@v2capital.com](mailto:michael@v2capital.com), or by calling us at 847-724-3667.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.

4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. Any individual who violates any of the above restrictions may be subject to termination.

## **Item 12 Brokerage Practices**

For discretionary clients, V2 Capital, LLC requires these clients to provide us with written authority to determine the broker dealer to use and the commission costs that will be charged to these clients for these transactions.

These clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

V2 Capital does not consider referrals when we select or recommend broker-dealers to clients.

For Advisory client accounts, V2 Capital will select or recommend brokerage firms. Such selections or recommendations will take into account a number of factors, some of which may include: custodial fees charged by the broker for holding securities for the client, commission rates, quality of execution, record keeping, reporting capabilities, and financial stability/condition of broker, among others. V2 Capital reviews its choices of broker regularly to ensure it is meeting its best execution obligations. When selecting a broker, V2 Capital will attempt to minimize the total cost for all brokerage services while maintaining quality of execution and service.

V2 Capital recommends CORES™ Dividend Portfolio clients that do not have a custodial relationship with a bank to custody their account with Pershing Advisor Solutions (“PAS”). We do not receive compensation from PAS for accounts our clients open with them. Not all advisers require their clients to direct brokerage. We may not be able to achieve the most favorable execution of client transactions for any account with a broker custodian. Consequently, this may cost clients money and limit our ability to maximize our clients’ investment performance. PAS is our recommended broker for clients without a bank custodian relationship because of their low commission structure, effective trade execution platform and the ability to aggregate client trades, which leads to a decrease in potential dispersion of returns amongst accounts.

With regard to FLEX option trading for CORES™ Dividend Portfolio accounts, V2 Capital has the authority to select, without specific client consent, broker-dealers and the commission rates to be paid. The primary consideration in placing portfolio FLEX option transactions with broker-dealers is to seek the best execution of orders. The determination of what constitutes best execution in a equity derivative securities transaction involves a number of judgmental considerations, including the overall direct net economic result to a client (involving both price paid or received, any commissions and other costs), and the efficiency with which a transaction is affected.

V2 Capital, LLC does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

V2 Capital may purchase the same individual security for multiple CORES™ Dividend Portfolio managed accounts. V2 Capital generally aggregates multiple orders for the purchase or sale of the same security in order to take advantage of any resulting economies of scale ("bunched order"). As a general rule, securities purchased in a bunched order are allocated based on the desired target weighting of the security in the account. As a general matter, targeted weightings are based on account AUM and are determined prior to submitting an order to the trading desk. Bunched orders executed at varying prices during the trading day are generally allocated to each account participating in the bunched order at an average price. Notwithstanding the foregoing, V2 Capital is not obligated to place the same security in all managed accounts with a similar investment objective. V2 Capital may determine not to buy a particular security for an account based on the unique circumstances of each account, including, without limitation, cash availability, desired position size, the account's investment policies and restrictions or tax considerations.

V2 Capital, LLC will block trades where possible and when advantageous to clients. V2 Capital, LLC's block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with V2 Capital, LLC, or our firm's order allocation policy.
- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the

client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.

3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable V2 Capital, LLC to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.

4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.

5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.

6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.

7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.

8) V2 Capital, LLC's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

9) Funds and securities for aggregated orders are clearly identified on V2 Capital, LLC's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

10) No client or account will be favored over another.



## **Item 13    Review of Accounts**

### **INVESTMENT SUPERVISORY SERVICES ("ISS") ADVISORY ACCOUNTS**

**REVIEWS:** The client Advisory accounts (e.g. management of equity derivative overlay and exit strategies) are monitored on an ongoing basis. All reviews are conducted by Michael R. Holleb (Chief Financial Officer/Chief Compliance Officer), Brett J. Novosel (Managing Director/Portfolio Manager), Victor P. Viner (Chief Executive Officer) or another qualified representative of the Firm. V2 Capital engages in a review of Advisory accounts under management, including a daily review by senior officer(s) of the prior day's trading activity. On a day-to-day basis, accounts may be reviewed as necessitated by account or security specific needs. In the event of developments that V2 Capital believes make a review of client accounts desirable, a review will be made to determine if investment changes are warranted to assure conformity with the account's investment guidelines and such client's investment objectives.

**REPORTS:** V2 Capital Advisory clients are furnished directly with a weekly statement containing a detailed schedule of investments and summary of the transactions effected during the week. Client's are also provided a detailed summary after any trade is executed. In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide monthly reports summarizing account performance, balances and holdings.

### **INVESTMENT SUPERVISORY SERVICES("ISS") V2 CAPITAL CORES MODEL PORTFOLIO - SMA's**

**REVIEWS:** All V2 CORES U.S. Enhanced Dividend Portfolio accounts are managed in accordance with the portfolio's investment objectives and restrictions. The day-to-day management of the portfolio is system-based and continuously monitored by Michael R. Holleb (Chief Financial Officer/Chief Compliance Officer), Brett J. Novosel (Managing Director/Portfolio Manager), or Victor P. Viner (Chief Executive Officer). Investment decisions are subject strict adherence with the investment guidelines. While the underlying securities within Model Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least monthly. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

**REPORTS:** V2 CORES U.S. Enhanced Dividend Portfolio clients receive a detailed statement from the account custodian reflecting current portfolio holdings and balances as well as transactions made within their accounts not less than quarterly. The account custodian provides V2 Capital clients with all required year-end tax information. Not less than quarterly, V2 Capital sends all clients portfolio updates/market reports and other correspondence designed to keep them fully apprised of V2 Capital's investment decisions and strategies. These include performance and fee summaries.

## **Item 14 Client Referrals and Other Compensation**

It is V2 Capital, LLC's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is V2 Capital, LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts. For this reason only, we are deemed to have custody of client funds

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a monthly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current. Our statements may vary from custodial statements based on accounting procedures (e.g. accrual of dividends as of ex-dividend date), reporting dates, or valuation methodologies of certain securities.

Our firm does not have actual or constructive custody of client accounts.

## **Item 16 Investment Discretion**

V2 Capital receives discretionary authority from the client through a signed Investment Advisory Agreement, at the outset of an Advisory or SMA relationship, to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, V2 Capital observes the investment

policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to V2 Capital in writing.

## **Item 17 Voting Client Securities**

Clients may obtain a copy of V2 Capital's complete proxy voting policies and procedures upon request. Clients may also obtain information from V2 Capital about how V2 Capital voted any proxies on behalf of their account(s).

Regarding Advisory accounts, V2 Capital will not be required to take any action or render any advice with respect to voting proxies solicited by, or with respect to, the issuers of securities in which Advisory client assets may be invested. V2 Capital will not offer advice regarding corporate action and the exercise of proxy voting rights.

Clients invested in the V2 CORES U.S Enhanced Dividend Portfolio give V2 Capital authority to vote proxies. Clients can request in writing the right to vote such proxies at Client's discretion. In the absence of such request, V2 Capital shall vote proxies for securities held by the Portfolio. In the event V2 Capital has been given the right to vote proxies, V2 Capital has retained an independent, third party expert in proxy voting and corporate governance to assist with voting proxies and the overall proxy voting process.

## **Item 18 Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about V2 Capital's financial condition. V2 Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding at any time during the past ten years.