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Form ADV Part 2A (Brochure)
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This brochure provides information about the qualifications and business practices of Validus Growth Investors, LLC. If you have any questions about the contents of this brochure, please contact us at (530) 582-7000 or veronique.sanchez-scalzo@validusgrowth.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") nor by any state securities authority.

Additional information about Validus Growth Investors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

This brochure ("Brochure"), dated March 31, 2014, is filed as the annual update to the Form ADV Part 2A. This our first annual update. We are required by the SEC to provide you with one or more of the following:

- An updated annual brochure, which includes a summary of any material changes to the brochure during the course of the previous fiscal year within 120 days of the close of our fiscal year. Our fiscal year end is December 31st.
- A summary of material changes within 120 days of the close of our fiscal year, which includes an offer to provide a copy of the full annual updated brochure and information regarding how you may obtain the brochure from us.
- An interim amendment to the brochure if there is new information in response to Item 9 of Part 2A regarding disciplinary information.
- An interim amendment resulting from any material change that could affect our relationship with you.

We will provide, free of charge, a new Brochure any time at your request, or as may become necessary based on material changes.

Currently, our Brochure may be requested by contacting our office at 530-582-7000 or by email to veronique.sanchez-scalzo@validusgrowth.com.

Summary of Material Changes

Item 4. Advisory Business. We have updated the current RIA assets under management.

Item 3. Table of Contents

Item 1. Cover Page.....	1
Item 2. Material Changes.....	2
Item 3. Table of Contents.....	3
Item 4. Advisory Business.....	4
Item 5. Fees and Compensation.....	5
Item 6. Performance-Based Fees and Side-by-Side Management.....	6
Item 7. Types of Clients.....	6
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Item 9. Disciplinary Information.....	10
Item 10. Other Financial Industry Activities and Affiliations.....	10
Item 11. Code of Ethics, Participation of Interest in Client Transactions and Personal Trading.....	11
Item 12. Brokerage Practices.....	12
Item 13. Review of Accounts.....	12
Item 14. Client Referrals and Other Compensation.....	13
Item 15. Custody.....	13
Item 16. Investment Discretion.....	13
Item 17. Proxy Voting Client Securities.....	13
Item 18. Financial Information.....	13
Item 19. Requirements for State-Registered Advisers.....	13

Item 4: Advisory Business

Introduction

In November 2012, Validus Growth Investors, LLC (“Validus”) was established by Mark C. Scalzo, Managing Partner and Chief Investment Officer, to provide investment advisory services to a broad range of clients by implementing fundamental, bottom-up growth equity strategies with active market risk mitigation. Validus is headquartered in Truckee, CA, which also houses the firm’s research and investment operations.

Principal Members

As Chief Investment Officer, Mr. Scalzo is responsible for design, implementation and enhancement of Validus’ investment philosophy and process, managing all of Validus’ investment strategies and overseeing day-to-day research efforts. Prior to founding Validus, Mr. Scalzo was Co-Portfolio Manager and Director of Research for Aletheia Research and Management, Inc. and was responsible for managing all of Aletheia’s long-only model portfolios in conjunction with the Chief Investment Officer for over \$7 billion in assets under management at its peak. Prior to Aletheia in 2008, Mr. Scalzo was Group Vice President and Head of M&A for Fisher Investments where he created a unique consolidation strategy for Fisher’s investment platform, infrastructure and client service approach. Prior to his work at Fisher Investments, Mr. Scalzo spent 15 years with Putnam Lovell NBF, most recently as Regional Manager on the West Coast for the premier boutique investment banking firm focusing on the asset management industry. During that time, Mr. Scalzo participated and led almost 150 investment banking assignments, concluding approximately 40 transactions. Mr. Scalzo graduated cum laude with a Bachelor of Science in Economics from The Wharton School of the University of Pennsylvania. Mr. Scalzo is Series 65 licensed.

Advisory Services Offered

Validus provides separate account investment management services for institutional clients, including public and private pension plans, endowments and foundations and high net worth individuals, both directly and through financial advisors and independent RIAs. Validus also manages model strategies, as part of a broader investment platform for certain financial services partners and for mutual funds. Validus does not typically customize portfolios, but is willing to consider reasonable restrictions upon request. Except for certain permissible client-specific restrictions, all client accounts investing within a particular strategy are similarly-managed,

rebalanced to the dynamic model portfolio on a periodic basis, and subject to Validus' trade allocation policy.

Assets Under Management

As of February 28, 2014, Validus Growth Investors manages \$1,278,764 in discretionary assets and \$8,172,383 in non-discretionary assets.

Item 5: Fees and Compensation

Fee Rates

The fee rates for separate account management by strategy are as follows:

Disciplined Global Growth

<u>Assets Managed</u>	<u>Break Point</u>	<u>Fee</u> <i>(as a % of AUM)</i>
Up to \$1 million	\$1 m	1.25%
Next \$9 million	\$10 m	1.20
Next \$15 million	\$25 m	1.10
Next \$25 million	\$50 m	1.00
Next \$50 million	\$100 m	0.90
Over \$100 million	--	0.80

Disciplined US Growth

<u>Assets Managed</u>	<u>Break Point</u>	<u>Fee</u> <i>(as a % of AUM)</i>
Up to \$1 million	\$1 m	1.00%
Next \$9 million	\$10 m	0.95
Next \$15 million	\$25 m	0.85
Next \$25 million	\$50 m	0.75
Next \$50 million	\$100 m	0.65
Over \$100 million	--	0.55

The Higher Yield version of each strategy is billed at the same rate as above. If requested by the client, Validus will also manage each of these strategies without the explicit market risk mitigation overlay at a discount to the fee schedule above. Fees for model strategies are negotiable.

Relationship Fee Break

After the third anniversary of a client's tenure with Validus, the client will receive a 5% reduction in the fee rates calculated above on a go-forward basis. After the fifth anniversary of a client's tenure with Validus, the client will receive a 10% reduction in the fee rates calculated above on a go-forward basis.

Billing

Validus generally deducts fees from client accounts in arrears on a quarterly basis based upon the average assets under management during the period. Clients may also elect to be billed directly. A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30-days written notice. In the event of a new account opening or termination intra-period, fees will be calculated on a pro rata basis using the average assets under management during the shortened period.

Other Expenses and Additional Costs

Other services providers are compensated for providing services for your account. The Custodian and Broker-Dealer, among others, will charge fees for providing account services such as custody, margin interest, taxes, transactions and trading. Clients are billed separately for all custody and transaction costs. In addition, Validus typically utilizes ETF's in order to implement its market risk-mitigation overlays. These ETF's have their own management fees and trading costs.

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

Validus does not have any performance-fee relationships at this time, nor does it engage in side-by-side management.

Item 7: Types of Clients

Validus provides separate account investment management services for institutional clients, including public and private pension plans, endowments and foundations, and high net worth individuals, both directly and through financial advisors and independent RIAs. Validus also manages model strategies as part of a broader investment platform for certain financial services partners and for mutual funds. Generally, Validus' minimum account size is \$1,000,000; however, Validus reserves the right to accept smaller accounts at its discretion.

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

Investment Philosophy

Validus is a research-focused, bottom-up, fundamentally-driven growth equity manager. Our investment philosophy and process emanates from the 20+ years of financial services experience of our Chief Investment Officer, which encompasses portfolio management, investment research, investment banking, mergers and acquisitions, merchant banking, and private equity.

Importantly, all of Validus' strategies employ the same philosophy and process. We "fish" in a more fertile pond – those companies that exhibit positive buying behaviors -- and we seek company-specific growth wherever it leads and no matter how it's defined by the market.

Our Investment Philosophy is driven by the following key concepts:

- An active growth strategy with an appropriate investment horizon, stock-specific focus and market risk mitigation deserves a place in every portfolio;
- Consistent excess returns result from benchmark agnostic process
 - Seek company-specific growth wherever it leads
 - Active Share studies confirm that benchmark replication is detrimental;
- Fundamentals determine stock performance over time, sentiment matters in the short-term;
- Evidence validated through experience drives decisions
 - **Only room for the best ideas** -- make decisions, employ judgment
 - *Ensure "insiders" have staked their money alongside their claims*
 - *Rely on empirical data for the industry by the industry; and*
- Persistent execution of a proven, disciplined process is the best long-term prescription for short-term volatility.

Buy Discipline

Our organic process does not seek to narrow the universe by employing quantitative screens, general known as a “funnel” in our industry. In our estimation, “funnel logic” has significant limitations that are often ignored. Rather, Validus’ method utilizes an iterative process to uncover key characteristics of individual portfolio candidates that, in our experience, have been proven to be most efficacious in leading to attractive returns over time.

- Construct individual investment mosaics for companies that possess certain key attributes including Buying Behaviors, an identifiable Growth Thesis, sufficient Financial Capacity, reasonable Valuation, and accounting for Specific Risks.
- Evaluate using **S.C.O.R.E. Proprietary Ranking** (Systematic, Customized Opportunity and Risk Evaluation).

Risk Mitigation

Employing a robust portfolio and risk management approach is an important part of Validus’ investment process. After proprietary research efforts lead to a S.C.O.R.E. ranking of growth opportunities, there are several additional steps to putting a portfolio in place.

First, Validus considers stock-specific trading characteristics for each security in order to better inform the entry point. In particular, we evaluate stock-specific liquidity, supply/demand for shares, the Relative Strength Index (RSI), option activity and technical analysis to determine appropriate timing and weighting.

Secondly, Validus has specific portfolio guidelines to limit risk and ensure proper diversification including absolutes limits on portfolio weights and sector / country allocation.

Finally, we determine the appropriate market exposure consistent with our “fully invested” mandate.

Sell Discipline

Validus believes that a well-defined sell discipline is crucial to consistently outperforming over time. If implemented properly, it allows a manager to capture gains when the buy process is successful and to protect capital when it is not. Validus’ sell discipline seeks to identify fundamental breakdowns before they are reflected in a company’s stock price. This requires us to be pro-active in identifying material changes in the growth thesis, financial strength or knowledgeable investor commitment on a company-by-company basis. It also requires the conviction to take action, even if the market in general or Wall Street disagrees in the short run.

It's worth noting that some information reflects transient issues that do not impede the growth thesis over our investment horizon – not every signal translates into a sale.

Specifically, a sale is triggered when there is a material fall in a portfolio holdings' S.C.O.R.E. ranking caused by any of the following circumstances (usually a combination of circumstances):

- Significant selling behavior;
- Growth thesis does not materialize within investment horizon, or substantially breaks-down along the way;
- Achievement of earnings goal with no new growth thesis;
- Significant and prolonged P/E compression that suggests earnings are being materially revalued;
- Technical analysis that suggests material negative headwinds that can overwhelm positive long-term fundamentals; and/or
- Identification of a previously unknown and/or unidentified material risk.

Nothing is automatic -- imperfect information requires analysis, judgment & conviction. At Validus, we take an additional step that we have termed “post-investment review.” After selling, we begin deconstructing the data and decisions that we relied upon along the way. We will continue to “follow” the stock in a maintenance mode until a year after sale. At that point, we will update our after-sale conclusions and close the file.

Investment Strategies

Validus is an equity manager that invests in growth companies while actively managing risk. Validus will consider the growth prospects of any company in the investable universe independent of its “label” by evaluating specific characteristics and prospects to determine whether or not a growth trajectory exists and can be exploited. Specifically, we look for at least one identifiable growth catalyst that can be sustained in order to generate double-digit average annual growth in earnings per share over our investment horizon.

Disciplined Global Growth – Validus’ signature investment strategy focuses on owning the best sustainable global growth stories that possess positive buying behavior(s) while actively managing market risk. Specifically, Disciplined Global Growth invests in equity securities of global growth companies listed in the US and on foreign exchanges and ETFs to manage market risk.

There are two variations of the Disciplined Global Growth strategy, each of which follow the same methodology and process, but with slight adjustments as illustrated below:

	Disciplined Global Growth	Higher Yield	Classic
Higher Current Return	No Minimum	>2.25%	No Minimum
Explicit Market Risk Mitigation	Yes	Yes	No

Disciplined US Growth -- Validus' US-only investment strategy focuses on owning the best sustainable US-domiciled growth stories that possess positive buying behavior(s). Specifically, Disciplined US Growth invests in equity securities of US growth companies listed on a US exchange. This strategy is managed as Classic US Growth as well, which excludes explicit market risk mitigation.

Risk of Loss

While we believe that our strategies are well-designed to grow each client's investment in the long-term while mitigating market risk, investing in any type of equity security necessarily involves a risk of loss of value, of which each client must be aware and prepared to bear.

Item 9: Disciplinary Information

There have been no disciplinary proceedings or actions against Validus Growth Investors or any of its Members.

Item 10: Other Financial Industry Activities and Affiliations

Validus Growth Investors does not have any financial industry affiliates, nor does it engage in other industry activities at this time.

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

Underlying all of our services and processes is an understanding that we are functioning as a fiduciary, a trusted agent, for our clients' assets. Our goal is not only to provide exceptional investment returns, but also to provide these services with the highest standards of ethical conduct. In addition, we place a high value on educating our clients within our sphere of expertise. In the end, we believe a well-served client is a long-term partner.

With this mission as our foundation, Validus has adopted a Code of Ethics that states that all its partners and employees must adhere to the highest standards of ethical conduct, including acting in the best interest of our clients at all times.

Our Code of Ethics restricts employee investment accounts to Validus strategies. As such, each employee investment account is executed in accordance with Validus' trade allocation policy, which ensures that implementation for employee accounts never takes precedence over client transactions.

Protection of Material, Non-Public Information

Validus has controls in place to ensure that client information is protected electronically and accessed only by authorized individuals or organizations. Employees are required to safeguard clients' information as a condition of employment. Employees are under obligation to refrain from discussing client matters in any way with family, friends or acquaintances. Client matters include, but are not limited to, business names, identity, and facts that are unique to the client's business.

Privacy Policy

Our role as a fiduciary requires that we hold in strictest confidence the nonpublic information we obtain from and about our clients. Our privacy policy applies to both current and former clients. We, as a firm, safeguard the information as follows:

- We do not and will not sell any client or personal information to any other entity for any reason; and
- We require authorization from the client to share information with third-parties outside of the firm.

Validus retains the right to make disclosures where it is required or permitted under law, to cooperate with regulatory or law enforcement authorities, actual or threatened litigation actions, or ethics/disciplinary related claims or proceedings.

Our Code of Ethics is available upon request.

Item 12: Brokerage Practices

We place trades with certain broker-dealers based on our duties of best execution and fiduciary responsibilities.

Soft dollar/client brokerage - we do not engage in soft dollar practices, nor do we use client brokerage to compensate brokers for client referrals.

Directed brokerage - in certain cases, we may permit a client to direct brokerage, however, in doing so, the client must recognize that we may be unable to achieve the best execution of a client's transaction, which may result in additional costs from higher brokerage commissions or prices.

Trade Aggregation - when possible, we seek to achieve best execution by bundling trades for the purchase or sale of securities with a particular broker.

Conflicts of Interest - our trade allocation policy ensures that all client trades are allocated in a fair and equitable manner, without any preferential treatment for any account.

Item 13: Review of Accounts

The Chief Investment Officer will periodically review client accounts, typically on a semi-annual basis, in order to ensure that investment guidelines are being met and investment restrictions, if any have been adequately implemented. In addition, client accounts will be rebalanced periodically to the dynamic model for each strategy in order to ensure that individual positions reflect the latest research and investment considerations. In all cases, Validus will consider overall transaction costs in determining the appropriate adjustments to individual positions.

Validus provides investment commentary and composite and individual client returns on a quarterly basis.

In addition and upon request, clients may have access to account information through a password protected client portal maintained by Validus' executing broker/dealer or custodian.

Item 14: Client Referrals and Other Compensation

Validus does not participate in any client referral compensation arrangements.

Item 15: Custody

Validus does not hold custody of client assets.

Item 16: Investment Discretion

Validus Growth exercises discretion in managing portfolio accounts on behalf of clients, subject to the terms of their investment management agreement, any reasonable restrictions that the client has placed upon their account, and the requirements under the Investment Advisor's Act of 1940.

Item 17: Proxy Voting Client Securities

We will not accept authority to vote client securities. Clients will receive their proxies or other solicitations directly from their custodian, or a transfer agent. Clients may contact us with questions about a particular solicitation.

Item 18: Financial Information

Not applicable.

Item 19: Requirements for State-Registered Advisers

See item 4.