



January 20, 2014

This brochure provides information about the qualifications and business practices of Andvari Associates, LLC (the “Adviser”). If you have any questions about the contents of this brochure, please contact us at (478) 718-0900. The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Additional information about Andvari Associates, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

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Item 4. Advisory Business

Andvari Associates, LLC is an investment adviser with its principal place of business in Atlanta, Georgia. The Adviser commenced operations as an investment adviser on March 1, 2013. Douglas E. Ott, II is the principal owner of the Adviser.

The Adviser provides advisory services on a discretionary basis to its clients that include individuals and institutions with separately managed accounts.

The Adviser typically manages accounts in accordance with its overall investment style, which involves long-term investing in equity securities of issuers identified by the Adviser through its fundamental, bottom-up analysis of issuers. Separate account clients may impose restrictions on investing in certain securities or certain types of securities.

As of January 16, 2014, the Adviser had approximately \$5 million client assets under management, all of which was managed on a discretionary basis.

Item 5. Fees and Compensation

The Adviser charges each client an investment management fee based on the value of the client's assets under management. Clients have a choice whether Andvari Associates, LLC deducts fees from their assets or are billed direct for payment. The fee is charged quarterly according to the schedule below, payable in advance, on the first business day of each calendar quarter, and is based on the beginning net asset value of the account for such quarter. Upon termination of an investment management agreement, the management fee for any partial calendar quarter shall be prorated and any overpayment shall be refunded to the client.

Also, clients will incur brokerage and other costs associated with the transactions of securities in their accounts. Please refer to Item 12 of this Brochure for a discussion of the Adviser's brokerage practices.

With respect to equity portfolios, the Management Fee shall be equal to 0.25% (1.0% per annum) of the first two million dollars (\$2,000,000) and 0.1875% (0.75% per annum) of any balance in excess of two million dollars (\$2,000,000). With respect to fixed income portfolios, the Management Fee shall be equal to 0.0875% (0.35% per annum) of the first three million dollars (\$3,000,000) and 0.075% (0.30% per annum) of any balance in excess of three million dollars (\$3,000,000).

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

Andvari Associates, LLC currently does not use a performance-based fee structure. However, the nature of asset-based fee allows the Adviser to participate in the growth of the client's wealth. This also means that our fees can decline when the client's portfolio declines in value.

Item 7. Types of Clients

The Adviser provides investment supervisory services to individuals, pension and profit sharing plans, trusts, states, or charitable organizations and corporations or business entities other than those listed above.

The Adviser requires that its managed account clients invest a minimum of \$250,000 to open an account subject to waiver by the Adviser.

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

The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations. The methods of analysis include fundamental research, as well as use of quantitative tools and investment approaches. We do not use charting analysis or cyclical analysis.

The Adviser employs the following investment strategies and securities:

- *Equity.* The Adviser's equity strategy focuses on a broad range of equity investment styles, including growth, core, and value, as well as portfolios designed to be "style-neutral". With that said, growth and value strategies form the core of most client accounts. With a growth investment strategy, the Adviser attempts to select securities of a company whose earnings the Adviser expects to grow at an above-average rate compared to the company's specific industry or the overall market. With a value strategy, the Adviser attempts to select securities that are trading at a large discount to their estimated intrinsic values.
- *Focused.* The Adviser focuses its investments on a limited number of issuers and does not seek to diversify investments among types of securities, issuers, countries or industry sectors.
- *Buy and Hold.* The Adviser typically buys securities and holds them for a relatively longer period of time, regardless of short-term factors such as fluctuations in the market or volatility of the stock price.
- *Leverage.* The Adviser's investment program may utilize leverage, which involves the borrowing of funds from brokerage firms, banks and other institutions, in order to increase the amount of capital available for marketable securities investments.
- *Mid-Cap and Small-Cap Securities.* The Adviser may invest in the securities of mid-cap and small-cap companies.
- *Short Selling.* The Adviser may engage in short selling strategies. In a short sale transaction, the Adviser sells a security it does not own in anticipation that the market price of that security will decline. The Adviser makes short sales (i) as a form of hedging to offset potential declines in long positions in similar securities, (ii) in order to maintain flexibility and, (iii) for profit.

These methods, strategies and investments involve risk of loss to clients and clients must be prepared to bear the loss of their entire contribution or investment. The material risks relating to the foregoing investment strategies include the following:

- *Focused.* Client accounts will not be diversified among a wide range of types of securities, issuers, countries, or industry sectors. Accordingly, client portfolios are subject to more rapid changes in value than would be the case if the Adviser were to maintain a wider diversification among types of securities and other instruments, issuers, countries or industry sectors.
- *Buy and Hold.* Under a buy and hold investment strategy, the Adviser may not take advantage of short term gains in a security that could be profitable to a client. Moreover, if the Adviser's predictions are incorrect, a security may decline sharply in value before the security is sold.
- *Leverage.* Performance may be more volatile if a client's account employs leverage.
- *Short Selling Risk.* Short selling transactions expose accounts engaging in short selling to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the account in connection with a short sale would need to be returned to the securities lender on short notice. If such

request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a “short squeeze” can occur, wherein the account might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

The following risks are those most associated with the types of securities that are primarily recommended to clients.

- *Equity Securities.* The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geo-political risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.
- *Mid-Cap and Small-Cap Securities Risk.* Investing in the securities of mid-cap and small-cap companies generally involves greater risk than investing in larger, more established companies. Although investing in securities of mid-cap and small-cap companies offers potential above-average returns if the companies are successful, there is the risk that the companies will not succeed and the prices of the companies’ shares could significantly decline in value. Securities of mid-cap and small-cap companies, especially those whose business involves emerging products or concepts, may be more volatile due to their limited product lines, markets or financial resources. Securities of mid-cap and small-cap companies also may be more volatile than larger companies or the market averages in general because of their general susceptibility to economic downturns, especially in the financial services group of industries where changes in interest rates and demand for financial services are so closely tied to the economy.

Item 9. Disciplinary Information

This Item is inapplicable.

Item 10. Other Financial Industry Activities and Affiliations

The Adviser does not participate in any other industry business activities and affiliations with broker-dealers or registered representatives, futures commission merchants, commodity pool operators, or commodity trading advisers or associated persons. The Adviser does not have any material relationships or arrangements with any financial industry. The Adviser does not recommend or select other investment advisers.

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

The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser and its supervised persons to put the interests of the Adviser’s clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. The Code is available to clients and potential clients upon request. See below for further provisions of the Code as they relate to preclearing and reporting of securities transactions by related persons.

The Adviser and its employees do not act as principal in buying securities from (or selling securities to) our clients. We do not act as general partner in a partnership in which we solicit client investments. We do not act as an investment adviser to an investment company that we recommend to clients.

The Adviser and its employees may buy or sell securities which are also recommended to clients. Such transactions should occur after or contemporaneously with purchases or sales in client accounts. New clients, who are added after purchases by the Adviser may also purchase securities already held by the Adviser and/or its employees.

Because the Adviser or its related persons may invest in the same securities the Adviser or a related person recommends to clients, this practice present a conflict where, because of the information an Adviser has, the Adviser or its related person are in a position to trade in a manner that could adversely affect clients (e.g., place their own trades before or after client trades are executed in order to benefit from any price movements due to the clients' trades). In addition to affecting the Adviser's or its related person's objectivity, these practices by the Adviser or its related persons may also harm clients by adversely affecting the price at which the clients' trades are executed. The Adviser has adopted the following procedures in an effort to minimize such conflicts:

- The Adviser requires its access persons to pre-clear transactions in their personal accounts with the Adviser's Chief Compliance Officer or Managing Member, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of its clients; and
- All of the Adviser's related persons are required to disclose their securities transactions on a quarterly basis and holdings on an annual basis.

Trading in employee accounts will be reviewed by the Chief Compliance Officer and compared with transactions for the client accounts.

Item 12. Brokerage Practices

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include creditworthiness and stability of the brokerage firm, its commission rates, execution and settlement capabilities, research services, back-office efficiency, ability to handle difficult trades and prior performance in serving the Adviser. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

The Adviser does not receive soft dollar benefits from the custodians to whom we recommend clients. The Adviser does not receive incentives in selecting or recommending one broker/dealer over another. Clients may give specific instructions as to the brokerage firms and/or brokers they wish the Advisor to deal with on their behalf.

Whenever practical, the Adviser executes block trades for later allocation between various individual client accounts on a random basis. Block trading is done so that all accounts participating in a block may receive a transaction at the same price. The Adviser and its employees may also have accounts that participate in the same block trade with its clients.

Item 13. Review of Accounts

The portfolio manager reviews all separate accounts monthly. The portfolio manager reviews each account's performance, compliance with any account restrictions, and allocations of securities transactions.

Significant market events affecting the prices of one or more securities in client accounts, changes in the investment objectives or guidelines of a particular client or specific arrangements with particular clients may trigger reviews of client accounts on other than a periodic basis.

Each client that is a separate account will receive quarterly account statements that include the cost and market value of securities positions and performance information as well as quarterly letters. Such reports may be delivered electronically to the client in accordance with the client's agreement with the Adviser.

Item 14. Client Referrals and Other Compensation

The Adviser does not accept referral fees or any form of remuneration from other professionals when we refer a prospect or client. The Adviser does not compensate any third party solicitors for client referrals.

Item 15. Custody

Separate account clients will receive account statements from a broker-dealer, bank or other qualified custodian, and such clients should carefully review those statements.

The Adviser also sends quarterly statements directly to separate account clients in addition to those sent by the qualified custodian. Such clients should compare any quarterly statements they receive from their qualified custodian with those received from the Adviser.

Item 16. Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to clients. Please see Item 4 for a description of any limitations clients may place on the Adviser's discretionary authority.

Prior to assuming full discretion in managing a client's assets, the Adviser enters into an investment management agreement that sets forth the scope of the Adviser's discretion. Among other items in the agreement, the client appoints the Adviser "as Client's agent and true and lawful attorney-in-fact, in its name, place and stead, to buy and sell (including short sales) stocks, bonds, and options and any similar investments, on margin or otherwise for the account."

Unless otherwise instructed by a discretionary client according to a signed Statement of Investment Policy, the Adviser has the authority to determine (i) the securities to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the client account. Because of the differences in client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among clients in invested positions and securities held. The Adviser may consider the following factors, among others, in allocating securities among clients: (i) client investment objectives and strategies; (ii) client risk profiles; (iii) tax status and restrictions placed on a client's portfolio by the client or by applicable law; (iv) size of the client account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market

conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows. Although it is the Adviser's policy to allocate investment opportunities to eligible client accounts on a pro rata basis (based on the value of the assets each participating account relative to value of the assets of all participating accounts), these factors may lead the Adviser to allocate securities to client accounts in varying amounts.

Item 17. Voting Client Securities

The Adviser does not have authority to vote client securities. Clients receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients are free to contact the Adviser via telephone, e-mail or in writing with any questions about a particular solicitation.

Item 18. Financial Information

This Item is not applicable.

Item 19. Requirements for State-Registered Advisers

The principal executive officer and owner of the Adviser is Douglas E. Ott, II. His formal education and business background is listed below:

- BA in History and English Literature from Washington University in St. Louis, MO in December 2004;
- Intern at the American Enterprise Institute in Washington, D.C. from January 2005 to July 2005;
- Media Coordinator at Judicial Watch in Washington, D.C. from July 2005 to July 2006;
- JD from Mercer University School of Law in Macon, GA in May 2009;
- Employed as investment analyst and portfolio manager at Banyan Capital Management in Atlanta, Georgia from October 2009 to January 2013.