



Item 1 – Cover Page

VALOR ADVISORS LLC

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Date of Brochure: March 30, 2015

This Brochure provides information about the qualifications and business practices of Valor Advisors LLC (hereinafter referred to as “Valor,” the “Firm,” or “we”). If you have any questions about the content of this Brochure, please contact the Firm’s Chief Compliance Officer at the telephone number provided above or email us at francisco.secada@valorad.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Valor is registered as an investment adviser with the SEC. The fact that Valor is “registered” does not imply any level of skill or training. You should not make a determination to hire or retain any adviser based solely on the fact that the adviser is registered.

Additional information about Valor is available on the SEC’s Web site at www.adviserinfo.sec.gov. The SEC’s Web site also provides information about any persons affiliated with Valor who are registered as investment adviser representatives of the Firm.

Item 2 – Material Changes

This Item 2 summarizes only the material changes that were made since the Brochure issued on April 25, 2014. It is not a summary of the Brochure in its entirety.

Following is a summary of the material changes to the Brochure:

1. In the Brochure dated September 23, 2014, we amended the fee schedule in Item 5A.
2. In this Brochure, we have not made any material changes.

You may obtain a copy of our current Brochure any time by contacting our Firm's Chief Compliance Officer at the telephone number listed on the cover page of this Brochure.

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Item 4 – Advisory Business

A. Business Commencement Date

Valor was organized in April of 2014 to offer investment management services.

B. Ownership

Messrs. Francisco Narvaez, Francisco Secada, and Gonzalo Mendoza are the principal owners of Valor.

C. Services

DISCRETIONARY ACCOUNTS. We provide discretionary investment management services to our advisory clients. Clients are asked to provide us with certain information with respect to their current financial holdings, investment objectives, risk tolerance, liquidity needs, and time horizon. We will also inquire as to the restrictions the client wishes to impose on the management of the accounts. From the information that is supplied by the client, we recommend an allocation mix and investment strategy that we believe is suitable for that client. We actively manage the discretionary account on an ongoing basis in accordance with the account's investment objective(s).

NON-DISCRETIONARY ACCOUNTS. We also offer non-discretionary advisory services tailored to the client's needs. As with the discretionary accounts, clients are asked to provide the Firm with information regarding their financial profile and any restrictions the client wishes to impose on the management of the accounts. For non-discretionary accounts, we will recommend an investment strategy, allocation mix, or changes to the client's existing portfolio that we believe is suitable for that client. The Firm has an ongoing responsibility to make recommendations to the client based upon the client's financial and investment profile. The client approves or disapproves each recommendation made by the Firm. Upon approval of any recommendation, we will arrange for effecting the securities transaction(s) recommended.

INVESTMENT PRODUCT TYPES. Generally, the Firm's investment advice for discretionary and non-discretionary accounts is confined to the following universe of securities and products:

- Exchange listed securities;
- Securities traded over-the-counter;
- Securities issued by foreign issuers, including foreign sovereign debt instruments;
- Corporate debt securities;
- U.S. government securities;
- Mutual funds (foreign and domestic);
- Options contracts on securities;
- Private placements;
- Private equity funds; and
- Hedge funds.

BUSINESS CONSULTING SERVICES. Valor offers to clients recommendations and advice regarding mergers, acquisitions, restructuring, and other financial or business transactions or matters on a one-time, non-discretionary basis.

D. Assets Under Management

As of March 31, 2015, we were not managing any assets on a discretionary basis. We were managing approximately \$450,745,000 on a non-discretionary basis.

Item 5 – Fees and Compensation

A. Fees

FEE SCHEDULE. For the discretionary and non-discretionary portfolio management services, generally, the Firm charges an annualized 1.0% advisory fee for those portfolios with assets under management of up to US\$50,000,000 and an annualized 0.75% for those portfolios with assets under management equal to or exceeding US\$50,000,000. Fees are based on the assets under the management of Valor for the particular account. Fees will be charged quarterly and in arrears. The quarterly fee is based upon the market value of all assets held within the client's account on the last business day of the calendar quarter. For the first calendar quarter, fees will be adjusted *pro rata* based on the number of calendar days for which the advisory agreement was effective. Any contributions and/or withdrawals made during a calendar quarter may result in an adjustment to the advisory fee.

Alternatively, for the non-discretionary management services, the Firm may charge a fixed fee or may require a minimum amount to be paid on a quarterly basis. The amount of the fixed fee or the minimum account fee will depend on the nature and the complexity of the services to be provided. If paying a fixed fee, the quarterly fee will be charged in arrears. The first quarterly fee will be due on the first day of the first calendar quarter following the execution of the advisory agreement. The first quarterly fee will be prorated based on the number of calendar days for which the advisory agreement was effective.

If the quarterly fee is based on assets under management and is subject to a minimum fee, we will notify the client quarterly of any deficit to be paid.

Lower advisory fees may be negotiated on an individual account basis. As a result, clients with similar assets may have differing fee schedules and pay different fees. The advisory services commence on the date on which the advisory agreement is signed by us and the advisory account is funded.

HOW FEES ARE COLLECTED. For the discretionary and non-discretionary portfolio management services, the client's account will be debited for the above-mentioned fees. We collect the fees from the amount of any contribution or transfer, from available cash in the client's account, or by liquidating the client's assets held in the client's account in an amount equal to the fees that are due. Alternatively, Adviser may invoice the client directly for the fees due.

FEE SCHEDULE MODIFICATIONS. We may adjust the fee schedule upon thirty (30) days' prior written notice to the client. The client may be charged a *pro rata* fee in the event the client's service is terminated on a day other than the last business day of the calendar quarter. In that event, the *pro rata* fee will be due and payable upon termination of the service.

FEE FOR BUSINESS CONSULTING SERVICES. We provide business consulting services for a fixed or an hourly fee that is negotiated with the client. The fee is based on the complexity of the transaction or financial matter and the scope of work.

LOWER FEE DISCLOSURE. Lower fees for comparable management or other services may be available from other sources.

B. Termination of Service

In connection with the discretionary and non-discretionary portfolio management services, upon written notice to Valor, within five (5) business days of entering into an agreement with the Firm, the client will have the right of termination without penalty or payment of fees. The Firm will refund any payment that has been made. Thereafter, either Valor or the client may terminate the agreement upon thirty (30) days' written notice to the other party. The termination provision in connection with the business consulting services is negotiated with the client.

C. Other Fees

In addition to the advisory fees charged by the Firm, other fees may apply. Brokerage commissions, transaction fees, sales loads, sales charges, management fees, administrative fees, account maintenance fees, transfer taxes, wire transfer fees, electronic fund fees, and other fees may be charged by the broker or dealer selected for execution of the securities transactions in the advisory accounts, by the custodian, and/or by the distributor, issuer or fund issuing the securities purchased and sold within the advisory accounts. The client is solely responsible for paying all such charges. In addition, mutual funds and certain exchange-traded funds ("ETFs") pay management fees to their investment advisers, which reduce their respective assets. To the extent that the client's portfolio has investments in mutual funds or ETFs, the client may pay two levels of advisory fees for the management of their assets: one directly to the Firm, and the other indirectly to the managers of those mutual funds and ETFs held in their portfolios. Neither Valor nor any of its investment adviser representatives receives any portion of these other fees.

D. Broker/Dealer Charges

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

Item 6 – Performance-Based Fees and Side-By-Side Management

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Generally, we offer advisory services to high net worth individuals, trusts, estates, organizations, or corporations or other business entities domiciled or residing in the United States or abroad.

When subscribing to the advisory services offered by us, generally, the minimum account value is US\$10,000,000. If the value of a client's account declines below \$10,00,000 during the advisory relationship, we reserve the right to require the client to deposit additional monies or securities to bring the account value up to the \$10,00,000 minimum. In some special cases, account minimums may be waived or negotiated.

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

A. Methods of Analysis

When formulating investment advice, generally, we utilize the fundamental analysis method. Fundamental analysis is a method of attempting to measure a security's underlying value and potential for future growth (its intrinsic value) by examining economic, financial and other qualitative and quantitative factors directly related to the issuer/company as well as company-specific factors (like financial condition, management, and competition). The adviser compares the intrinsic value with the security's current price, with the aim of determining what position to take with the security (i.e., buy, sell or hold).

Fundamental has a number of risks: the analysis may be compromised by incorrect or stale data; the analysis method typically does not consider the influence of random events and acts of God; and, the market may fail to reach expectations of perceived value.

We do not represent, warrant, or imply that any analysis method employed by us can or will successfully identify market tops or bottoms. No analysis method has been proven to insulate clients from losses due to market fluctuations, corrections or declines.

B. Investment Strategies

The primary investment strategy we employ is a long-term “buy and hold” strategy. To a lesser extent, we might also make short-term purchases, engage in short selling, buying on margin, and option writing, buy uncovered options, and/or use spreading strategies. The particular strategies employed will depend upon the individual needs and risk tolerance of the client. A short description of each of these strategies follows:

- Buy and Hold. Generally, a long-term purchase is a purchase of a security or investment product with a view to holding the security or product for more than one year. Trade commissions are reduced by buying and selling less often and taxes are often reduced or deferred by holding positions longer. We typically will follow a buy and hold strategy when pursuing a global fixed income strategy, a global equity markets investment strategy, or an emerging markets investment strategy.
 - A global fixed income strategy involves participating in the broad global movement of fixed income markets through purchasing investment grade fixed-income securities that are listed or traded on recognized markets. The objective of this strategy is to generate current income and capital growth.
 - A global equity markets investment strategy seeks long-term growth in equity securities of U.S. and non-U.S. companies that we believe are priced below their intrinsic values but are still fundamentally solid and are likely to appreciate. While we do not target issuers of a particular size, most issuers will have larger capitalizations.
 - An emerging markets strategy involves investing in stocks or bonds issued by companies and government entities in developing countries, such as in Latin America, Eastern Europe, Africa and Asia. Typically, there is a medium- to long-term holding period and there can be high volatility.

Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market

that you are invested in or your particular investments will decrease in value even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost (e.g., “locking-up” assets that may be better utilized in the short-term in other investments).

- Short-term purchases. A short-term purchase is a purchase of a security or investment product with the intent of possibly selling it within one year of its purchase. Our investment strategies typically do not include frequent trading (which focuses on opportunistic trades and holding the investment product for only a short period of time). Using a short-term purchase strategy generally assumes that the performance of the financial markets can be accurately predicted over the short-term. The risk associated with a short-term purchase strategy is that there are many factors that may affect market performance in the short term including interest rate fluctuations and cyclical earnings. Such factors may have a smaller impact over the longer-term. In addition, short-term trading may incur a disproportionately higher amount of transaction costs compared to long-term trading.
- Short sales. Short selling is a technique used to profit from the falling price of a stock. Short selling can translate into high portfolio volatility. The primary risk associated with selling a security that was borrowed in anticipation of a price decline is that if the price of those borrowed shares increases, the potential losses are unlimited.
- Margin Transactions. When purchasing securities on margin, you are employing leverage as an investing strategy. Leverage allows an investor to extend their financial reach by investing using borrowed funds while limiting the amount of their own cash used. The borrower will be required to pay interest on the loan. Purchasing on margin involves a high degree of risk, including, without limitation: losing more money than you have invested; being required to deposit additional cash or securities in your account on short notice to cover market losses; being forced to sell some or all of your securities when falling stock prices reduce the value of your securities; and/or having your brokerage firm sell some or all of your securities without consulting you to pay off the loan it made to you.
- Option Writing. Investors can sell options in order to obtain additional income from premiums paid by the option buyer. The positive potential of this strategy is limited because the most money the investor can earn is the amount of the option premium.
- Uncovered Options and Spreading Strategies. Uncovered options trading can be more risky than writing covered call options. The potential loss is theoretically unlimited. An option spread involves combining two different option strikes as part of a limited risk strategy.

The concept of asset allocation, or spreading investments among a number of asset classes (e.g., domestic stocks vs. foreign stocks; large cap stocks vs. small cap stocks; corporate bonds vs. government debt instruments), plays a prominent role in executing an investment strategy. Asset allocation seeks to achieve diversification of assets in order to reduce the risk associated with investing all or a significant portion of a client’s portfolio in one asset class. We believe that risk reduction is a key element to long-term investment success.

C. Risks

1. General Risks

Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk and there can be no assurance that any

specific investment or investment strategy will either be suitable or profitable for a client's investment portfolio. Past performance is not indicative of future results. A client should not assume that the future performance of any specific investment, investment strategy, or product will be profitable or equal to past or current performance levels. We cannot assure that the investment objectives of any client will be realized.

2. *Special Risks*

While investing in any security involves risk, investing in some types of securities carries special risks. A summary of the special risks associated with some types of securities we may recommend or we may purchase or sell in your account is provided below. Please note that the following summaries are general in nature and do not include an explanation of all risks associated with a given security type.

- a. Common Stocks. The major risks associated with investing in common stocks relate to the issuer's capitalization, quality of the issuer's management, quality and cost of the issuer's services, the issuer's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the issuer's ability to create shareholder value (e.g., increase the value of the company's stock price).
- b. Convertible Stocks. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value." The investment value of a convertible security is influenced by changes in interest rates, the credit standing of the issuer and other factors. The conversion value of a convertible security is determined by the market price of the underlying common stock. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. A convertible security will generally be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security is called for redemption, the investor will be required to permit the issuer to redeem the security, convert it into the underlying common stock, or sell it to a third party. Any of these actions could have an adverse effect on the investor's ability to achieve his/her investment objective(s).
- c. Bonds. Bonds are subject to credit risk, which is the risk of default associated with the issuer. Bonds are also subject to interest rate risk or the risk that changes in interest rates during the term of the bond might affect the market value of the bond prior to the call or maturity date. Investors should also consider inflation risk, which is the risk that the rate of the yield to call or maturity will not provide a positive return over the rate of inflation for the period of the investment.
- d. Foreign-Issued Securities. Debt and equity investments associated with foreign countries may involve increased volatility and risk due to, without limitation:
 - Political Risk. Many foreign countries are undergoing, or have undergone in recent years, significant political change that has affected government policy, including changes in the regulation of industry, trade, financial markets, and foreign and domestic investment. The relative instability of these political systems leaves these countries more vulnerable to economic hardship, public unrest or popular

dissatisfaction with reform, political or diplomatic changes, social instability, or changes in government policies. For investors, the results may include confiscatory taxation, exchange controls, compulsory reacquisition, nationalization or expropriation of foreign-owned assets without adequate compensation, or the restructuring of certain industry sectors in a way that could adversely affect investments in those sectors.

- *Sovereign Risk.* Strikes, the imposition of exchange controls, or declarations of war may prevent or impede repayment of funds due from a particular country.
- *Economic Risk.* The economies of these countries may be more vulnerable to rising interest rates and inflation. Investments may be negatively affected by rates of economic growth, corporate profits, domestic and international flows of funds, external and sovereign debt, dependence on international trade, and sensitivity to world commodity prices. Additionally, a change in tax regime may result in the sudden imposition of arbitrary or additional taxes.
- *Currency Risk.* The weakening of a country's currency relative to the U.S. dollar or to other benchmark currencies will negatively affect the dollar value of an instrument denominated in that currency.
- *Credit Risk.* Issuers and obligors of sovereign and corporate debt may be unable to make timely coupon or principal payments, thereby causing the underlying debt or loan to enter into default.
- *Liquidity Risk.* Natural disasters as well as economic, social, and political developments in a country may cause a decrease in the liquidity of investments related to that country, making it difficult to sell quickly, and/or subjecting the seller to substantial price discounts.

The nature and extent of these risks vary from country to country, among investment instruments, and over time.

- e. *Emerging Market Securities.* Investments and transactions in products linked to issuers and obligors incorporated, based, or principally engaged in business in emerging markets countries carry increased risk and volatility. In addition to the political, sovereign, economic, currency, credit, and liquidity risks described above, emerging market securities can be subject to the following risks:

- *Market Risk.* The financial markets can lack transparency, liquidity, efficiency.
- *Regulatory Risk.* There may be less government supervision and regulation of business. The supervision that may be in place may be subject to manipulation or control. Disclosure and reporting requirements may be minimal or non-existent.
- *Legal Risk.* The process of legal reform may not proceed at the same pace as market developments, which could result in uncertainty. Legislation to safeguard the rights of private ownership may not yet be in place.
- *Settlement and Clearing Risk.* The registration, recordkeeping and transfer of instruments may be carried out manually, which may cause delays.

- f. *Cash Equivalents.* Cash equivalents are the most liquid investment assets with low risk

and low returns. Cash equivalents are short-term fixed income assets with maturity of 3 months or less. However, these assets are subject to interest rate risk. Interest rates may fluctuate due to certain events taking place in the world including but not limited to economic events, geopolitical or social instability (global, regional or local), currency, interest rate and commodity price changes, and government or governmental agency responses to economic or political conditions.

- g. Mutual Funds. Most mutual funds fall into one of three main categories — money market funds, bond funds (also called "fixed income" funds), and stock funds (also called "equity" funds). Generally, the higher the potential return, the higher the risk of loss. A fund's investment objective and its holdings are influential factors in determining risk. Past performance is not a reliable indicator of future performance. Reading the prospectus will help you to understand the risk associated with that particular fund.

Different mutual fund categories have inherently different risk characteristics. For example, a bond fund faces credit risk, interest rate risk, and prepayment risk. Bond values are inversely related to interest rates. If interest rates rise, bond values will go down and vice versa.

Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons — such as the overall strength of the economy or demand for particular products or services. A sector stock fund (which invests in a single industry, such as telecommunications) is at risk that its price will decline due to developments in its industry. A stock fund that invests across many industries is more sheltered from this risk.

For most funds, investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs. And, depending on the timing of their investment, investors may also have to pay taxes on any capital gains distribution they receive.

- h. Private Placements. Private placements are not subject to the same regulatory and disclosure requirements as mutual funds and exchange-traded equities. Moreover, private placement interests are generally illiquid and may charge higher fees. Private placements are offered through an offering memorandum, which contains detailed information on the various risks and fees relating to the particular investment. An offering memorandum and accompanying subscription documents will be provided to clients investing in these types of securities.
- i. Private Equity Funds. Private Equity Funds may be affected by various forms of risk, including:
 - Long-term Investment. Unlike mutual funds, which generally invest in publicly-traded securities that are relatively liquid, private equity funds generally invest in large amounts of illiquid securities from private companies. Depending on the strategy used, private real estate funds will have illiquid underlying investments that may not be easily sold and investors may have to wait for improvements or development before redemptions are permitted. Given the illiquid nature of the underlying purchases made by private equity and private real estate managers, private equity and private real estate funds are considered long-term investments. Private equity funds are generally set up as ten- to fifteen-year investments with little or no provision for investor redemptions. Private real estate funds are generally seven- to

ten-year investments and also have limited provisions for redemptions. With long-term investments, you should consider your financial ability to bear large fluctuations in value and hold these investments over a number of years.

- *Difficult Valuation Assessment.* The portfolio holdings in private equity and private real estate funds may be difficult to value, because they are not usually quoted or traded on any financial market or exchange. Consequently, no easily available market prices for most of a fund's holdings are available. Additionally, it may be hard to quantify the impact a manager has had on the underlying investments until those investments are sold.
 - *Lack of Liquidity.* Private equity and private real estate funds are not "liquid" (they cannot be sold or exchanged for cash quickly or easily), and the interests are typically non-transferable without the consent of a fund's managing member. As a result, private equity and private real estate funds are generally only suitable for sophisticated investors who have carefully considered their financial ability to hold these investments for the long term.
 - *Capital Call Default Consequences.* Answering capital calls to provide managers with the pledged capital is a contractual obligation of each investor. Failure to meet this requirement in a timely manner could result in significant adverse consequences, including, without limitation, the forfeiture of the defaulting investor's interest in the fund.
 - *Leverage.* Private equity and private real estate funds may use leverage in connection with certain investments or participate in investments with highly leveraged capital structures. Although the use of leverage may enhance returns and increase the number of investments that can be made, leverage also involves a high degree of financial risk and may increase the exposure of such investments to risks such as rising interest rates, downturns in the economy, or deterioration in the condition of the underlying assets.
 - *Lack of Transparency.* Private equity and private real estate funds are not required to provide investors with information about their underlying holdings or provide periodic pricing and valuation information. This lack of information may make it more difficult for investors to evaluate the risks associated with the funds.
 - *Manager Risk.* Private equity and private real estate fund managers have absolute investment authority over their funds. The fund's investment returns are due, in large part, to the managers' skill and expertise. If a key manager departs, the returns of the fund may be adversely affected.
 - *Regulation.* Private equity and private real estate funds are subject to fewer regulatory requirements than mutual funds and other registered investment company products and thus may offer fewer legal protections than you would have if you invested in more traditional investments.
- j. *Hedge Funds.* Hedge funds often engage in leveraging and other speculative investment practices that may increase the risk of investment loss. A hedge fund's performance can be volatile. An investor could lose all or a substantial portion of his or her investment. There may be no secondary market for the investor's interest in the fund. The hedge fund can be highly illiquid and there may be restrictions on transferring interests in the fund.

Hedge funds are not required to provide periodic pricing or valuation information to investors. Hedge funds may have complex tax structures. There may be delays in distributing important tax information. Hedge funds are not subject to the same regulatory requirements as mutual funds. Hedge funds often charge high fees. The fund's high fees and expenses may offset the fund's trading profits.

- k. Options. Index options offer a known risk to buyers. An index option buyer cannot lose more than the price of the option (the premium). Index options can provide leverage. This means an index option buyer pays a relatively small premium for market exposure in relation to the contract value. An investor can see large percentage gains from relatively small, favorable percentage moves in the underlying index. If the index does not move as anticipated, the buyer's risk is limited to the premium paid. However, because of leverage, a small adverse move in the market can result in a substantial or complete loss of the buyer's premium. Writers of index options bear substantially greater risk, if not unlimited. A spreading technique is one of the ways to avoid a catastrophic loss on a short option position, as there would be an offsetting long option position in place to limit the loss.

There may be other circumstances not described here that could adversely affect a client's investment and prevent the portfolio from reaching its objective. Prior to entering into an investment advisory agreement with us, you should carefully consider: (i) committing to management only those assets that you believe will not be needed for current purposes and that can be invested on a long-term basis; (ii) that volatility from investing in the market can occur; and (iii) that, over time, the value of your portfolio may fluctuate and may, at any time, be worth more or less than the amount originally invested.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding certain legal or disciplinary events related to the adviser or the adviser's management. Neither Valor nor its personnel has been subject to any such legal or disciplinary events.

Item 10 – Other Financial Industry Activities and Affiliations

- A. Neither the Firm nor any management person of the Firm is registered or has an application pending to register as a broker/dealer or a registered representative of a broker/dealer.
- B. Neither the Firm nor any management person of the Firm is registered or has an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of any of the foregoing entities.
- C. Neither the Firm nor any management person of the Firm has any arrangements that are material to its business with any related person.
- D. We do not recommend or select other investment advisers for our clients.

Item 11 – Code of Ethics

Securities industry regulations require that advisory firms provide their clients with a general description of the advisory firm's Code of Ethics. Valor has adopted a Code of Ethics that sets forth the governing ethical standards and principles of the Firm. It also describes our policies regarding the following: the protection of confidential information, including the client's nonpublic personal information; the review of the personal securities accounts of certain personnel of the Firm for evidence of manipulative trading, trading ahead of clients, and insider trading; trading restrictions; training of personnel; and, recordkeeping. All supervised persons at Valor must acknowledge the terms of the Code of Ethics upon hire and as amended.

Subject to satisfying the Firm's policies and applicable laws, managers, officers, and employees of the Firm and its affiliates may trade for their own accounts in securities that are recommended to and/or purchased for Firm's clients. The Code of Ethics is designed to permit associated persons to invest for their own accounts while assuring that their personal transaction activity does not interfere with making decisions in the best interest of advisory clients or implementing those decisions. Neither the Firm nor any associated person of the Firm who (a) has access to nonpublic information regarding clients' securities transactions, (b) is involved in making securities recommendations to clients, or (c) has access to securities recommendations that are not public (collectively, the "Access Persons") is permitted to trade in or engage in a securities transaction to his or her advantage over that of a client. Access Persons are prohibited from buying or selling securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public upon reasonable inquiry. Access Persons may not execute transactions in their personal accounts ahead of a client's transaction in the same security unless certain circumstances exist. Because the Code of Ethics in some circumstances permits employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored by the Firm's Chief Compliance Officer in an effort to prevent conflicts of interest between Valor and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Valor's obligation of best execution. In such circumstances, all persons participating in the aggregated order will receive an average share price with all other transaction costs shared on a *pro rata* basis. The Firm will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a *pro rata* basis. Any exceptions must be pre-approved by the Chief Compliance Officer.

Our clients or prospective clients may request a copy of the Firm's Code of Ethics by contacting the Chief Compliance Officer at the address or telephone number specified on the cover page and requesting a copy.

Item 12 – Brokerage Practices

A. Selection of Broker/Dealer

1. Brokerage Activity. When a client retains us to manage an account, unless otherwise agreed to, the client grants us the authority to select the broker/dealer(s) that will be used to place and execute the transactions in the advisory accounts. It is our policy and practice to strive for the best price and execution that are competitive in relation to the value of the transaction ("best execution"). In selecting a broker, dealer or other intermediary, we consider such

factors that in good faith and judgment we deem reasonable under the circumstances. The Firm typically evaluates the following factors when recommending a broker/dealer to a client:

- Execution ability, including without limitation:
 - Trading experience in markets/securities needed
 - Quality of trading
 - Clearance and settlement efficiency and accuracy
 - Accuracy and timeliness of order execution, reports and confirmations
 - Costs, including commission rates, ticket charges, other service charges, and the means to correct errors in an acceptable manner
 - Customer service, including responsiveness to the Firm
 - Commitment to technology and security of confidential information
 - Adequacy of capital and financial responsibility
 - Reputation and integrity
2. “Soft Dollar” Considerations. A “soft dollar” arrangement occurs when a firm directs its brokerage to a particular broker/dealer that charges brokerage commissions that are higher than they would be for an "execution only" trading relationship in exchange for products or services, such as research. Under such an arrangement, the firm would receive a benefit because it would not have to produce or pay for the products or research. The Firm is not party to any such “soft-dollar” arrangement.

Clients may pay commissions higher than those obtainable from other brokers for the same services rendered by the Firm or the broker/dealer or other intermediary used for execution.

In observance of its fiduciary duty, the Firm will, at least annually, conduct a survey to determine whether the Firm is meeting its duty of best execution.

B. Order Aggregation

From time to time, we may determine that the purchase or sale of a particular security is appropriate for multiple advisory client accounts, based on a variety of reasons. When this happens, we may determine that it is appropriate in the interests of efficient and effective execution to attempt to execute the trade orders as one or more block trades (*i.e.*, aggregate the individual trade for each account into one or more trade orders). These circumstances may, in turn, give rise to actual or potential conflicts of interest among the accounts for whom the security purchase or sale is appropriate, and among the subset of those accounts actually participating in a block trade, especially if the block trade order results in a partial fill. In order to address these conflicts, we have adopted certain policies and procedures that we follow when aggregating trades in an effort to provide an objective and equitable method of trade allocation so that all clients are treated fairly. The basic objectives of these policies and procedures are as follows:

1. We will only aggregate trades when we believe that the aggregation is consistent with our duty to seek best execution for our clients;
2. We will strive to ensure that no client account is favored over any other client account; and

3. Each account that participates in an aggregated transaction shall participate at the average of the executed share price for that security, with all transaction costs shared on a *pro rata* basis.

C. Trade Error Policy

From time to time, errors may occur in the trading process, including (1) overbuying or overselling of securities, into or out of an account, caused by clerical errors made by our personnel, or (2) buying or selling of securities, into or out of an account, which is in violation of a client's stated investment guidelines that had been previously communicated to us in writing.

In all cases of a trade error caused by us, it is our policy to endeavor to resolve the error in the best interest of the client and adjust the trade as needed in order to put the client's account in such a position as if the error had not occurred. Where our trade error results in a gain and the client is unable or restricted from receiving that gain for any reason, we will donate the gain to charity.

Item 13 – Review of Accounts

Advisory accounts are reviewed at least quarterly by a member of Senior Management. Also, reviews will be conducted upon a client's specific request or upon the occurrence of any agreed-upon triggering events (such as upon a 10 percent decline in the portfolio's value over a thirty-day period). There is no maximum number of accounts that could be assigned to a member of Senior Management. For discretionary accounts, the allocation of each portfolio is adjusted at our discretion in accordance with the account's investment objectives and risk tolerance.

For both discretionary and non-discretionary accounts, at least annually, a member of Senior Management will meet with the advisory client to discuss and review the account's objectives as well as any changes to the client's financial or investment profile. The meeting may take place in person, by video or audio conference, by telephone, by electronic mail, by regular mail, or by any means of contemporaneous electronic interactive communication.

The executing broker/dealers and/or custodians who maintain the client accounts will notify the client of any account activity by delivering a confirmation of the transaction to the client. The executing broker/dealer(s) or the custodian(s) will also furnish the client with a monthly or quarterly account activity and position statement.

Item 14 – Client Referrals and Other Compensation

A. Economic Benefits

Neither the Firm, nor any of our employees, receives any economic benefit, sales awards or other prizes from any outside parties for providing investment advice to our clients.

B. Referral Fees

At this time, we do not pay referral fees to persons or entities for the referral or introduction of advisory clients to the Firm.

Item 15 – Custody

Valor does not obtain custody of client's monies or securities. Clients should receive, on at least a quarterly basis, statements from the broker/dealer, bank or other qualified custodian that holds and maintains the client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the consolidated account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Valor offers discretionary management services and nondiscretionary management services. Valor obtains discretionary authority only in connection with its discretionary management services. When a client elects Valor's discretionary management services, the client will sign an agreement that provides Valor with the discretionary authority. Valor is then authorized to select the securities and the quantities or amounts of securities to be purchased, leveraged, transferred, exchanged, traded and sold consistent with the stated investment objectives and investment restrictions adopted by the client. Valor's discretionary authority is limited by (1) any reasonable restrictions that the client places on the management of the account, and (2) the investing parameters set forth by Valor and the client, if any. If Valor deems a proposed restriction unreasonable, Valor may discontinue the advisory service. Reasonability is based on whether the restriction(s) will impose a significant time burden on Valor to comply with such restrictions. As described above, we also obtain the authority to designate the broker/dealers or other financial intermediaries through whom transactions in the accounts will be executed, cleared or settled.

Item 17 – Voting Client Securities

As a matter of Firm policy and practice, we do not have any authority to and do not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities owned by the client. Generally, we do not provide advice to clients regarding the voting of proxies.

Item 18 – Financial Information

We are required in this Item to provide you with certain information or disclosures regarding our financial condition. Following is the information responsive to this Item:

- The Firm does not require prepayment of more than \$1200 in fees six months or more in advance.
- There are no financial conditions or commitments that are likely to impair our ability to meet any contractual or fiduciary commitment to our clients.
- The Firm has not been the subject of a bankruptcy petition.