

Pine Valley Investments

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Pine Valley Investments. If you have any questions about the contents of this brochure, please contact us at (609) 577-4999 or by email at: harry.morad@gmail.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.

Additional information about Pine Valley Investments is also available on the SEC's website at www.adviserinfo.sec.gov. Pine Valley Investments' CRD number is: 173995.

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Registration does not imply a certain level of skill or training.

Version Date: 03/02/2015

Item 2: Material Changes

Pine Valley Investments has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore there are no material changes to report.

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Item 4: Advisory Business

A. Description of the Advisory Firm

Pine Valley Investments (hereinafter "PVI") is a Limited Liability Company organized in the State of New Jersey.

The firm was formed in October 2014, and the principal owner is Harry Edward Morad.

B. Types of Advisory Services

Portfolio Management Services

PVI offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. PVI creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- | | |
|-----------------------|--------------------------------|
| • Investment strategy | • Personal investment policy |
| • Asset allocation | • Asset selection |
| • Risk tolerance | • Regular portfolio monitoring |

PVI evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. PVI will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

PVI seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of PVI's economic, investment or other financial interests. To meet its fiduciary obligations, PVI attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, PVI's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is PVI's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

Selection of Other Advisers

PVI has discretion to choose third-party investment advisers to manage all or a portion of the client's assets. Before selecting other advisers for clients, PVI will always ensure those other advisers are properly licensed or registered as an investment adviser. PVI conducts due diligence on any third-party investment adviser, which may involve one or more of the following: phone calls, meetings and review of the third-party adviser's performance and investment strategy. PVI then makes investments with a third-party investment adviser by investing with the third-party adviser. These investments may be allocated either through the third-party adviser's fund or through a separately managed account managed by such third party adviser on behalf of PVI's client. PVI may also allocate among one or more private equity funds or private equity fund advisers. PVI will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

Pension Consulting Services

PVI offers ongoing consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans) based on the demographics, goals, objectives, time horizon, and/or risk tolerance of the plan's participants.

Subadviser Services

PVI may also act as a subadviser to advisers unaffiliated with PVI. These third-party advisers would outsource portfolio management services to PVI. This relationship will be memorialized in each contract between PVI and the third-party advisor.

C. Client Tailored Services and Client Imposed Restrictions

PVI will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by PVI on behalf of the client. PVI may use "model portfolios" together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent PVI from properly servicing the client account, or if the restrictions would require PVI to deviate from its standard suite of services, PVI reserves the right to end the relationship.

D. Wrap Fee Programs

PVI participates in wrap fee programs, which are investment programs wherein the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. PVI manages the investments in the wrap fee program, but does not manage those wrap fee accounts any differently than non-wrap fee accounts. A portion of the fees paid to the wrap account program will be given to PVI as a management fee.

E. Assets Under Management

PVI has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0	\$0	December 2014

Item 5: Fees and Compensation

A. Fee Schedule

Asset-Based Fees for Portfolio Management

Total Assets Under Management	Annual Fee
\$0 - \$999,999	1.25%
\$1,000,000 - \$1,999,999	1.00%
\$2,000,000 - \$9,999,999	0.75%
\$10,000,000 - \$19,999,999	0.50%
\$20,000,000 - \$49,999,999	0.25%
\$50,000,000 - And Up	0.15%

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of PVI's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.

PVI bills based on the balance on the first day of the billing period.

Selection of Other Advisers Fees

PVI will receive its standard fee on top of the fee paid to the third party adviser. This relationship will be memorialized in each contract between PVI and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for third-party investment advisers will depend on the specific third-party adviser selected.

These fees are negotiable.

PVI may engage in the selection of third-party money managers, but does not have any such arrangements in place at this time. This service may be canceled with 30 days' notice.

Pension Consulting Services Fees

Asset-Based Fees for Pension Consulting

Total Assets Under Management	Annual Fee
\$0 - \$9,999,999	1.00%
\$10,000,000 - \$24,999,999	0.75%
\$25,000,000 - And Up	0.50%

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract.

Clients may terminate the agreement without penalty for a full refund of PVI's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice. PVI bills based on the balance on the first day of the billing period.

Subadviser Services Fees

PVI may also act as a subadviser to unaffiliated third-party advisers and PVI would receive a share of the fees collected from the third-party adviser's client. The fees charged will not exceed any limit imposed by any regulatory agency. This relationship will be memorialized in each contract between PVI and the third-party adviser.

B. Payment of Fees

Payment of Asset-Based Portfolio Management Fees

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis, or may be invoiced and billed directly to the client on a quarterly basis. Clients may select the method in which they are billed. Fees are paid in advance.

Payment of Asset-Based Pension Consulting Fees

Asset-based pension consulting fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis, or may be invoiced and billed

directly to the client on a quarterly basis. Clients may select the method in which they are billed. Fees are paid in advance.

Payment of Selection of Other Advisers Fees

The timing, frequency, and method of paying fees for selection of third-party managers will depend on the specific third-party adviser selected.

Payment of Subadviser Fees

Subadviser fees may be withdrawn from client's accounts or clients may be invoiced for such fees, as disclosed in each contract between PVI and the applicable third-party adviser.

C. Client Responsibility For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by PVI. Please see Item 12 of this brochure regarding broker-dealer/custodian.

D. Prepayment of Fees

PVI collects fees in advance. Refunds for fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate* times the number of days elapsed in the billing period up to and including the day of termination. (*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

E. Outside Compensation For the Sale of Securities to Clients

Neither PVI nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

PVI does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

PVI generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Charitable Organizations
- ❖ Corporations or Business Entities

Minimum Account Size for Portfolio Management

There is an account minimum of \$500,000, which may be waived by PVI in its discretion.

Minimum Account Size for Pension Consulting

There is an account minimum of \$1,000,000, which may be waived by PVI in its discretion.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

PVI's methods of analysis include fundamental analysis, technical analysis and quantitative analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

Quantitative analysis deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

Investment Strategies

PVI uses long term trading, short term trading, short sales, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

Quantitative Model Risk: Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

Investment Strategies

PVI's use of short sales, margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short term trading risks include liquidity, economic stability, and inflation, in addition to the long term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short sales entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

Margin transactions use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's

threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

Options transactions involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

Selection of Other Advisers: Although PVI will seek to select only money managers who will invest clients' assets with the highest level of integrity, PVI's selection process cannot ensure that money managers will perform as desired and PVI will have no control over the day-to-day operations of any of its selected money managers. PVI would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulator breach or fraud.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

PVI's use of short sales, margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury

inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

Real Estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Annuities are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

Hedge Funds often engage in leveraging and other speculative investment practices that may increase the risk of investment loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

Private equity funds carry certain risks. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

Private placements carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

Venture capital funds invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

Commodities are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

Non-U.S. securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither PVI nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither PVI nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Neither PVI nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

PVI has discretion to choose third-party investment advisers to manage all or a portion of the client's assets. Clients will pay PVI its standard fee in addition to the standard fee for the advisers to which it directs those clients. This relationship will be memorialized in each contract between PVI and each third-party advisor. The fees will not exceed any limit imposed by any regulatory agency. PVI will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. PVI will ensure that all recommended advisers are licensed or notice filed in the states in which PVI is recommending them to clients.

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

A. Code of Ethics

PVI has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. PVI's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

PVI does not recommend that clients buy or sell any security in which a related person to PVI or PVI has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of PVI may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of PVI to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. PVI will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of PVI may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of PVI to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, PVI will never engage in trading that operates to the client's disadvantage if representatives of PVI buy or sell securities at or around the same time as clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians/broker-dealers will be recommended based on PVI's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and PVI may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in PVI's research efforts. PVI will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

PVI recommends Schwab Institutional, a division of Charles Schwab & Co., Inc.

1. Research and Other Soft-Dollar Benefits

While PVI has no formal soft dollars program in which soft dollars are used to pay for third party services, PVI may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). PVI may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and PVI does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. PVI benefits by not having to produce or pay for the research, products or services, and PVI will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that PVI's acceptance of soft dollar benefits may result in higher commissions charged to the client.

2. Brokerage for Client Referrals

PVI receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

PVI may permit clients to direct it to execute transactions through a specified broker-dealer. If a client directs brokerage, then the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to PVI to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; the

client may be unable to participate in block trades (unless PVI is able to engage in “step outs”); and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

B. Aggregating (Block) Trading for Multiple Client Accounts

If PVI buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, PVI would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. PVI would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All client accounts for PVI's advisory services provided on an ongoing basis are reviewed at least monthly by Harry Morad, Managing Partner with regard to clients' respective investment policies and risk tolerance levels. All accounts at PVI are assigned to this reviewer.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client of PVI's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

PVI may accept compensation for client referrals, but does not have any such arrangements in place at this time. PVI will fully disclose to clients the details of any referral relationships.

B. Compensation to Non – Advisory Personnel for Client Referrals

PVI may enter into written arrangements with third parties to act as solicitors for PVI's investment management services. Solicitor relationships will be fully disclosed to each Client to the extent required by applicable law. PVI will ensure each solicitor is properly registered in all appropriate jurisdictions. All such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

Item 15: Custody

When advisory fees are deducted directly from client accounts at client's custodian, PVI will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

Item 16: Investment Discretion

PVI provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, PVI generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, PVI's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to PVI).

Item 17: Voting Client Securities (Proxy Voting)

PVI acknowledges its fiduciary obligation to vote proxies on behalf of those clients that have delegated to it, or for which it is deemed to have, proxy voting authority. PVI will vote proxies on behalf of a client solely in the best interest of the relevant client and has established general

guidelines for voting proxies. PVI may also abstain from voting if, based on factors such as expense or difficulty of exercise, it determines that a client's interests are better served by abstaining. Further, because proxy proposals and individual company facts and circumstances may vary, PVI may vote in a manner that is contrary to the general guidelines if it believes that doing so would be in a client's best interest to do so. If a proxy proposal presents a material conflict of interest between PVI and a client, then PVI will determine how to vote that proxy and whether the conflict of interest will be disclosed to the client.

Clients may obtain a complete copy of the proxy voting policies and procedures by contacting PVI in writing and requesting such information. Each client may also request, by contacting PVI in writing, information concerning the manner in which proxy votes have been cast with respect to portfolio securities held by the relevant client during the prior annual period.

Item 18: Financial Information

A. Balance Sheet

PVI neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither PVI nor its management has any financial condition that is likely to reasonably impair PVI's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

PVI has not been the subject of a bankruptcy petition in the last ten years.