

# RVB Capital Management LLC

## Form ADV Part 2A Firm Brochure

This Brochure (the “Brochure”) provides information about the qualifications and business practices of RVB Capital Management LLC (“RVB Capital,” the “Adviser,” the “Firm,” “we,” “us” or “our”). If you have any questions about the contents of this Brochure, please contact us at (212) 453-1037. 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. Additional information about RVB Capital is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for RVB Capital is 284855.

*RVB Capital is registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Recipients of this Brochure should be aware that registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser’s skill or expertise. Further, registration does not imply or guarantee that a registered investment adviser has achieved a certain level of skill, competency, sophistication, expertise or training in providing advisory services to its clients.*

## RVB Capital Management LLC

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**Brochure prepared on June 25, 2018**

## **Item 2 Material Changes**

RVB Capital filed its initial application to register as an investment adviser with the SEC on June 25, 2018. Accordingly, pursuant to disclosure rules under the Advisers Act, this is the first Brochure compiled by RVB Capital to provide new and prospective advisory clients with clearly written, meaningful, current disclosure of its business practices, conflicts of interest and the background of its advisory personnel. All recipients of this Brochure are encouraged to read it carefully in its entirety.

In the future, this section of the Brochure will identify, address and discuss only the material changes since the last delivery or posting of this Brochure on the SEC's public disclosure website (IAPD) to assist and make you aware of certain information that has changed since the prior year's Brochure.

RVB Capital will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, RVB Capital's Brochure may be requested by contacting Mr. Rishi K. Bhatia, Founder, Managing Member and Chief Compliance Officer at [rishi.bhatia@rvbcap.com](mailto:rishi.bhatia@rvbcap.com) or (212) 453-1037.

Additional information about RVB Capital is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for RVB Capital is 284855. The SEC's web site also provides information about any persons affiliated with RVB Capital who are registered, or are required to be registered, as investment adviser representatives of RVB Capital.

## **IMPORTANT NOTE ABOUT THIS DISCLOSURE BROCHURE**

*This Disclosure Brochure is not:*

- *an offer or agreement to provide advisory services to any person*
- *an offer to sell interests (or a solicitation of an offer to purchase interests) in any Issuer*
- *a complete discussion of the features, risks or conflicts associated with any Issuer*

As required by Advisers Act, RVB Capital provides this Brochure to current and prospective clients and may also, in its discretion, provide this Brochure to current or prospective investors in a private pooled investment vehicle, together with other relevant governing documents, such as the private pooled investment vehicle's private placement memoranda or offering circular, prior to, or in connection with, such persons' investment in the private pooled investment vehicle.

Although this publicly available Brochure describes investment advisory services and products of RVB Capital, persons who receive this Brochure (whether or not from RVB Capital) should be aware that it is designed solely to provide information about RVB Capital as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in relevant governing documents. More complete information about each private pooled investment vehicle is included in relevant governing documents, certain of which may be provided to current and eligible prospective investors only by RVB Capital. To the extent that there is any conflict between discussions herein and similar or related discussions in any governing documents, the relevant governing documents shall govern and control.

### Item 3 Table of Contents

Item 1 Cover Page.....	i
Item 2 Material Changes .....	ii
Item 3 Table of Contents.....	iv
Item 4 Advisory Business .....	1
Item 5 Fees and Compensation .....	3
Item 6 Performance-Based Fees and Side-By-Side Management .....	5
Item 7 Types of Clients.....	8
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss.....	10
Item 9 Disciplinary Information .....	22
Item 10 Other Financial Industry Activities and Affiliations .....	23
Item 11 Code of Ethics .....	24
Item 12 Brokerage Practices .....	33
Item 13 Review of Accounts.....	40
Item 14 Client Referrals and Other Compensation .....	41
Item 15 Custody .....	42
Item 16 Investment Discretion .....	43
Item 17 Voting Client Securities.....	44
Item 18 Financial Information .....	45

## **Item 4 Advisory Business**

### **Background**

RVB Capital is a Delaware limited liability company that was formed in May 2016 for the purpose of providing discretionary portfolio management and investment advisory services to separately managed accounts and pooled investment vehicles. RVB Capital is headquartered in New York, New York. The primary sole beneficial owner of RVB Capital is Mr. Rishi K. Bhatia. In September 2016, RVB Capital initially filed with the SEC as an exempt reporting adviser and withdrew its exemption status on June 25, 2018 in order to transition its status to a SEC registered reporting adviser.

### **Advisory Services**

RVB Capital currently provides discretionary portfolio management and investment sub-advisory services to unaffiliated privately offered pooled investment vehicles (the “Funds” or the “Clients”), which are advised by Lighthouse Investment Partners, LLC (“Lighthouse”), an investment adviser registered with the SEC. RVB Capital provides its investment sub-advisory services to the Funds pursuant to an investment management agreement between RVB Capital and each respective Fund. Information about the Funds, and the particular investment objectives, strategies, restrictions, guidelines and risks associated with an investment, is described in the Funds’ respective governing documents, which are made available to investors only through Lighthouse or another authorized party. RVB Capital does not provide individualized advice to investors (and an investment in a Fund does not, in and of itself, create an advisory relationship between the investor and RVB Capital), investors must consider whether a particular Fund meets their investment objectives and risk tolerance prior to investing. In the future, RVB Capital may provide discretionary portfolio management and investment advisory services (directly or indirectly through a sub-advisory arrangement with the client's primary investment adviser) to separately managed accounts or privately offered pooled investment vehicles. The type of Funds to which RVB Capital provides investment management services is more fully disclosed in RVB Capital’s Form ADV Part 1 and summarized in *Item 7 – Types of Clients* of this Brochure.

RVB Capital’s investment sub-advisory (or advisory) services consist of managing a Fund’s portfolio, pursuant to an investment management agreement or other similar governing agreement (the “Management Agreement”), by providing origination, acquisition, asset management, and other administrative services to each respective Fund in accordance with each Fund’s respective private placement memorandum, offering memorandum, offering circular, limited partnership agreement, indenture or other similar disclosure and governing documents (collectively, the “governing documents”). RVB Capital’s investment sub-advisory (or advisory) services consist of, but are not limited to, managing each Fund’s portfolio of investments, including sourcing, selecting, and determining investments in each Fund, monitoring investments by each Fund and executing transactions on behalf of each Fund in accordance with the investment objectives, policies and guidelines set forth in each respective Fund’s governing documents. Accordingly, RVB Capital’s investment advisory services to the Funds is not tailored to the individualized needs or objectives of any particular Fund investor. An investment in a Fund by an investor does not, in and of itself, create an advisory relationship between the investor and RVB Capital. Investors are not permitted to impose restrictions or limitations on the management of any Fund. The Fund’s general partner may enter into side letter agreements or arrangements with one or more investors in a Fund that alter, modify or change the terms of the interests held by such investors.

RVB Capital primarily pursues investments in equity securities, including common stocks, preferred stocks, convertible securities, rights, and warrants, of publicly traded companies participating in the real estate sector, such as Real Estate Investment Trusts (“REITs”). RVB Capital deploys a relative-value investment strategy that seeks investments on a market-neutral basis with a bottom up fundamental analysis focus. RVB Capital is “NAV centric” and seeks disconnects between the public and private real estate markets. See *Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss* of this Brochure for more information on RVB Capital’s investment strategies philosophy, context and process, including portfolio construction.

### **Tailored Advice and Client-Imposed Restrictions**

RVB Capital’s investment management and sub-advisory (or advisory) services to a Fund are provided pursuant to the agreed upon terms of a Management Agreement. RVB Capital tailors its advisory services to the individual needs of each respective Fund and each Management Agreement is separately negotiated and designed to suit the needs of each particular Fund and its respective investment objectives, policies and guidelines as set forth in each respective Fund’s governing documents. Such advisory agreements may impose restrictions on RVB Capital’s ability to invest in certain securities or types of securities. Additional portfolio restrictions may also include exposure limits, concentration limits, industry and sector limits, geographical limits, and liquidity limits.

Prospective clients and prospective client investors must consider whether a particular RVB Capital advisory relationship is appropriate for their own circumstances based on all relevant factors including, but not limited to, the prospective client’s own investment objectives, liquidity requirements, tax situation and risk tolerance. Prospective clients are strongly encouraged to undertake appropriate due diligence including, but not limited to, a review of governing documents relating to the proposed investment program for a Fund and to investigate additional details about RVB Capital’s investment strategies, methods of analysis and related risks, before making an investment decision or committing to a service provided by RVB Capital. See *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss* of this Brochure for a more detailed discussion on investment strategies and the risks involved with such strategies.

### **Wrap Fee Disclosure**

RVB Capital does not participate in or sponsor any wrap fee programs.

### **Assets Under Management**

As of March 31, 2018, RVB Capital managed approximately \$168,304,452 of advisory assets, of which all were on a discretionary basis and none were on a non-discretionary basis. The SEC has adopted a uniform method for advisers to calculate assets under management for regulatory purposes which it refers to as an adviser’s “regulatory assets under management.” Regulatory assets under management are generally an adviser’s gross assets, *i.e.*, assets under management without deduction for outstanding indebtedness or other accrued but unpaid liabilities. RVB Capital reports its regulatory assets under management in Item 5 of Part 1 of Form ADV which you can find at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 5 Fees and Compensation**

### **Compensation**

Currently, in consideration for RVB Capital's investment advisory services, RVB Capital is only entitled to receive compensation in the form of a "Performance-Based Fee" (e.g., carried interest or incentive fees) in connection with the management of the Funds. RVB Capital does not receive any "Management Fees" in connection with the management of the Funds. RVB Capital's compensation in the form of a Performance-Based Fee is described in detail in the applicable Management Agreement and summarized below in Item 6 of this Brochure.

Additionally, RVB Capital is entitled to "Advance Performance Fee Draws" to cover certain expenses set forth in the Management Agreement, payable monthly in advance. Advance Performance Fee Draws will be applied against and reduce the Performance-Based Fee (and any unearned or unapplied Advance Performance Fee Draws paid during a twelve (12) month period shall be carried forward as a reduction to future Performance-Based Fee until the full amount of the aggregate unearned Advance Performance Fee Draws is earned, and subsequently applied against, and reduces, the Performance-Based Fee).

Such Performance-Based Fees and Advance Performance Fee Draws are paid directly to RVB Capital by the Client and are not automatically deducted from the Client by RVB Capital.

### **Termination**

The termination of a Client's Management Agreement is set forth in each respective Client's Management Agreement.

### **Billing**

Generally, Performance-Based Fees are payable annually in arrears within forty-five (45) days after the end of each twelve (12) month period to which the Performance-Based Fee relates. Non-compensation-related expenses set forth in the Management Agreement are payable on a periodic basis agreed by the Client and RVB Capital.

### **Other Expenses**

In addition to Performance-Based Fees, a Client generally will bear all costs and non-compensation-related expenses relating to or associated with the Clients' account's investment activities, including, but not limited to, all expenses incurred in connection with the making, holding, management, sale or proposed sale of any Client investment, including commitment fees, interest expense, taxes, brokerage commissions and other transactional charges, any expenses associated with proposed investments that are ultimately not made by the Client, consultants' and other experts' fees, prime brokerage fees, research, legal and due diligence expense (including travel and lodging expenses) and custody expense. In addition, the Client may pay its direct operating expenses, such as offering expenses, legal, accounting, audit and tax preparation expenses, premiums for liability insurance covering RVB Capital and interested affiliates and the members, partners, directors, officers, employees and agents of any of them, printing and mailing costs, fees of the administrator, market information systems and computer software expenses, data fees and expenses, fees of pricing services and financial modeling services, filing fees, regulatory and compliance

costs, and any extraordinary expenses (including indemnification or litigation expenses) and certain other fees and expenses that may be authorized under a Client's governing documents or Management Agreement.

### **Sales-Based Compensation**

RVB Capital nor any of its supervised person accepts compensation for the sale of securities or other investment products. This practice presents a conflict of interest and gives RVB Capital or its supervised persons an incentive to recommend investment products based on the compensation received, rather than on a particular Client's needs.



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

As discussed in Item 5 above, RVB Capital is entitled to receive compensation in the form of a Performance-Based Fee (*e.g.*, carried interest or incentive fees) in connection with the management of the Funds. The specific payment terms and other conditions of the Performance-Based Fees available to RVB Capital are set forth in the applicable Fund's Management Agreement. Generally, the Funds will pay RVB Capital an annual Performance-Based Fee of the "Net Profits" for each year within forty-five (45) days after the last day of a calendar year in which the Performance-Based Fee was earned. The Performance-Based Fee is subject to a "high water mark" so that RVB Capital is only entitled to receive the Performance-Based Fee if profits for the calendar year are sufficient to recoup all prior trading losses in a Fund's portfolio, thus surpassing the previous "high water mark." For any calendar year in which a Fund has a "Net Loss," such amount is carried forward and no Performance-Based Fee is payable with respect to the Fund unless and until the Net Losses of the Fund are recovered by subsequent Net Profits.

The receipt of Performance-Based Fees from a Fund may create an incentive for RVB Capital to make riskier or more speculative investments on behalf of a Fund than they might otherwise make in the absence of such Performance-Based Fees. Performance-Based Fees may also incentivize RVB Capital to overvalue assets in order to increase the amount of its Performance-Based Fees. The performance on which Performance-Based Fees are calculated may, in certain circumstances, include unrealized appreciation and depreciation of investments that may not ultimately be realized and as a result may create an incentive for RVB Capital to time investments, and the realization of investments, so as to maximize Performance-Based Fees rather than the returns of the Fund.

As stated in Item 4 of this Brochure, RVB Capital does not receive any Management Fees in connection with the management of the Funds. However, in the future, RVB Capital may provide discretionary portfolio management and investment advisory services (directly or indirectly through a sub-advisory arrangement with the client's primary investment adviser) to other Funds and may be entitled to receive Management Fees from such future Funds that vary. Different Management Fees may incentivize RVB Capital to dedicate increased resources and allocate more profitable investment opportunities or best investment ideas to Funds who are charged Management Fees (or Performance-Based Fee arrangements) that are more profitable for RVB Capital. Further, Performance-Based Fee calculations and hurdle rates may differ from Fund to Fund which may result in certain conflicts of interest, such as motivating RVB Capital to invest a Fund in assets with heightened risk profiles that have the potential to produce relatively higher returns or causing RVB Capital to favor certain Funds over others. In addition, RVB Capital may compensate or provide discretionary bonuses to portfolio managers that are based on, among other things, the performance of a Fund they manage or are otherwise responsible for, or based on the outcome of the specific advisory project. RVB Capital or its personnel or affiliates may have other pecuniary interests in RVB Capital's advisory Client's accounts.

In the event RVB Capital should advise multiple accounts or funds having different fee structures, RVB Capital believes that it has reasonable controls in place to mitigate potential conflicts of interest. These controls include trade allocation procedures that govern allocation of securities, including limited offerings and average pricing of executed trades among similar accounts, and analysis of performance achieved by accounts managed in a similar strategy. RVB Capital's procedures generally require accounts with similar investment strategies to be managed in a similar fashion, subject to a variety of exceptions, such as

particular investment restrictions or policies applicable only to certain accounts, differences in cash flows and account sizes and similar factors.

Performance-Based Fee compensation is subject to Section 205(a)(1) of the Advisers Act, in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3, which requires that Performance-Based Fees only be charged to “qualified clients” as defined in Rule 205-3(d)(1) of the Advisers Act.

## **SPECIFIC CONFLICTS OF INTEREST AND RVB CAPITAL’S PRACTICES DESIGNED TO MITIGATE SUCH POTENTIAL CONFLICTS OF INTEREST**

Like all investment advisers who advise multiple accounts or funds having different fee structures, RVB Capital and its personnel will face actual and potential conflicts of interest, including an incentive to favor those Client accounts in which RVB Capital or its personnel have greater pecuniary interests over other Client accounts. Such potential conflicts of interest and RVB Capital’s practices that are designed to mitigate such potential conflicts of interest are discussed below. As a general matter, RVB Capital addresses such potential conflicts by following a thorough, detailed, and consistent investment decision-making process and by regular reviews of investments by RVB Capital’s investment staff.

- **Allocation of Investments.** RVB Capital may have an incentive to allocate investment opportunities based on pecuniary interest. RVB Capital and its personnel will face a conflict of interest when considering how to allocate limited investment opportunities among Client accounts having different fee structures or pecuniary interests, including Client accounts in which an affiliate is an investor. Through its relevant policies and procedures, RVB Capital seeks to promote fair and equitable treatment of Client accounts (including the allocation of investment opportunities), over time, based on considerations that are unrelated to pecuniary interests.
- **Compensation of RVB Capital and its Personnel.** RVB Capital and its personnel may have an incentive to take on more risk when compensation is based on performance: The receipt of Performance-Based Fee compensation and the payment of bonuses relating to performance of Client accounts creates an incentive to make riskier investments than might be made in the absence of Performance-Based Fee compensation, as such compensation generally allows participation in gains in excess of exposure to losses. On the other hand, Performance-Based Fee compensation encourages an alignment of long-term investment interests between the Client and RVB Capital. Moreover, Performance-Based Fee compensation may be subject to mechanisms designed to ensure that prior losses are recouped and/or a certain level of gains is achieved before any Performance-Based Fee compensation accrues, such as loss carry forwards, hurdle rates, and/or high-water marks. Furthermore, as discussed in more detail in Item 13 of this Brochure, RVB Capital reviews each Client account that it advises on a regular basis to monitor risk levels. In addition, engaging in high risk investment practices that cause adverse performance will have a negative impact on the receipt by RVB Capital of Performance-Based Fee compensation and the receipt of discretionary bonuses paid to portfolio managers.
- **Performance-Based Fees for RVB Capital and Valuations.** When RVB Capital’s compensation is based on the value or performance of investments, RVB Capital has an incentive to value a position at a price higher than it might otherwise be valued or to accelerate or defer realizations.

To the extent that performance allocations may be based on increases in the net assets of a Client's account, RVB Capital's compensation would be based upon unrealized appreciation as well as realized appreciation. This means that RVB Capital may be compensated on performance that is ultimately not realized if positions decrease in value and are subsequently sold at a loss. The potential for inflated valuation of positions is increased when such positions are illiquid or otherwise lack a readily ascertainable market value. RVB Capital seeks to mitigate this conflict by valuing assets in accordance with its valuation policy, which is reasonably designed to assure that valuations are performed in a consistent and thorough manner that insulates the conflict. In general, RVB Capital considers the views of outside experts, including third-party valuation firms, in determining the value of illiquid or other hard to value assets. RVB Capital further seeks, on a best effort basis, to receive third party valuations from broker/dealers for security holdings of RVB Capital's Client accounts.

- **Cross-Transactions.** Generally, RVB Capital will not engage in cross-transactions. However, should RVB Capital engage in cross-transactions, it may have an incentive to favor Client accounts in which it has a greater pecuniary interest. RVB Capital will conduct such transactions in accordance with its policies to promote fairness to all participating accounts (*e.g.*, by assuring that an appropriate price is assigned to the security being crossed). Where required by law or the governing documents for a Client account, cross transactions are subject to Client consent prior to settlement. Information about said transaction, including the nature of the rebalancing transaction, the price at which it will be effected and RVB Capital's position as principal, if applicable, are provided to allow the Client to determine whether or not to consent.
- **Other Conflict Mitigation Practices.** Many of the conflicts resulting from performance-based fees and side-by-side management are mitigated by RVB Capital's relevant policies and procedures. As a general principle, RVB Capital requires that potential conflicts of interest be addressed by placing Client interests before personal or proprietary interests. RVB Capital has also instituted policies to promote fair treatment of Client accounts based on considerations unrelated to pecuniary interests to ensure that, wherever possible and over time, opportunities are allocated in a fair and equitable manner.

## Item 7 Types of Clients

As discussed in Item 4 – Advisory Business of this Brochure, RVB Capital currently provides discretionary portfolio management and investment sub-advisory services to unaffiliated privately offered pooled investment vehicles (*i.e.*, the Funds), which is advised by Lighthouse Investment Partners, LLC, an investment adviser registered with the SEC. RVB Capital provides its investment sub-advisory services to the Funds pursuant to an investment management agreement between RVB Capital and each respective Fund. Information about the Funds, and the particular investment objectives, strategies, restrictions, guidelines and risks associated with an investment, is described in the Funds’ respective governing documents, which are made available to investors only through Lighthouse Investment Partners, LLC or another authorized party. In the future, RVB Capital may provide discretionary portfolio management and investment advisory services (directly or indirectly through a sub-advisory arrangement with the client’s primary investment adviser) to separately managed accounts or privately offered pooled investment vehicles.

The Funds sub-advised by RVB Capital may be organized as domestic or offshore (non-U.S.) companies, limited partnerships, limited liability companies, corporate trusts, or other legal entities, as determined appropriate by the Funds’ primary investment adviser.

Generally, investors participating in a Fund are required to meet certain suitability and net worth qualifications, such as (i) an “accredited investor” within the meaning of Rule 501 of Regulation D under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or (ii) a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “1940 Act”). As such, the Funds RVB Capital sub-advises is exempt from registration as an investment company through the exemption provided by Sections 3(c)(7) of the 1940 Act. Typically, each investor in a Fund that is exempt from the registration requirements under Section 3(c)(7) of the 1940 Act is required to qualify as a “qualified purchaser” within the meaning of Section 2(a)(51) of the 1940 Act and is required to certify that it is at least an “accredited investor” within the meaning of Rule 501 of Regulation D under the Securities Act and non-U.S. investors are required to certify that they meet the requirements of the Regulation S safe harbor under the Securities Act. Where RVB Capital does not charge Performance-Based Fees to a particular Client, investors will only be required to qualify as an “accredited investor” within the meaning of Rule 501 of Regulation D under the Securities Act. As noted above in Item 6 of this Brochure, if RVB Capital collects performance related compensation, investors will be required to meet the requirements of Rule 205-3 under the Advisers Act and certify that they are at least a “qualified client.” A potential investor in a Fund should read and review all governing documents in their entirety for specific investor qualifications and before making any investment decisions.

To help the U.S. Government fight the funding of terrorism and money laundering activities, RVB Capital may seek to obtain, verify, and record information that identifies each investor who invests in a Client. In this regard, when an investor seeks to open an account with RVB Capital or invest in a Fund managed by RVB Capital (including a separately managed account), RVB Capital may ask for a completed Form W-8/W-9, as applicable, which includes the name, address, Tax ID/Employer ID number (or any other registration number issued in the jurisdiction of location or incorporation) and other reasonably required information that will allow RVB Capital to identify the investor. RVB Capital may ask for information and documentation regarding source of funds to be invested. RVB Capital also reserves the right to ask for

more information regarding the individuals who are beneficial owners of the investor and/or exercise control over the investor. RVB Capital may ask for the names of such beneficial owners and may also ask for address, date of birth, and other information that will allow RVB Capital to identify such beneficial owners. RVB Capital may also request such other information as may be necessary to comply with applicable law. Furthermore, RVB Capital may verify any of the aforementioned information using third-party sources and may share that information as required by applicable law or in connection with the execution of trades on behalf of that investor. For certain investors, RVB Capital may rely on the investor's broker-dealer, administrator, transfer agent, custodian or placement agent to obtain, verify and record the required information.

With respect to separately managed accounts, the minimum investment is determined on a case by case basis. Each Fund's minimum investment amount is stated in each respective Fund's governing documents. As stated herein above, a potential investor in a Fund should read and review all governing documents in their entirety for specific investor qualifications and before making any investment decisions.

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

The following is a summary of the investment strategies and methods of analysis employed by RVB Capital on behalf of Clients. This summary should not be interpreted to limit in any way RVB Capital's investment activities. RVB Capital may offer any advisory services, provide advice with respect to any investment strategies and make any investments, including those that may not be described in this Brochure, that RVB Capital considers appropriate, subject to each Client's investment objectives and guidelines. Specific descriptions of such strategies and methods are included in each Client's governing documents. In the case of sub-advised or separate accounts managed by RVB Capital, the investment strategies and methods of analysis employed on behalf of each managed account will be set forth in the Management Agreement between the managed account and RVB Capital or in other related documents. There can be no assurance that the investment objectives of any Client will be achieved.

### **Methods of Analysis and Investment Strategies**

Each Client's investment strategy is outlined in its applicable governing documents and/or Management Agreement or in other related documents. RVB Capital's investment objective, on behalf of its Clients, is to pursue capital appreciation, while limiting exposure to general stock market risk. RVB Capital employs a fundamental relative-value real estate strategy that seeks to neutralize exposure to general stock market risk and volatility by taking both long and short positions in real estate investments. RVB Capital's investment approach seeks to provide positive returns that are neutral with regard to general stock market risk and volatility.

RVB Capital pursues its Clients investment objectives by investing, under normal circumstances, in: (i) long and short equity securities, including common stocks, preferred stocks, convertible securities, rights, and warrants, of publicly traded companies participating in the real estate sector, such as REITs; and (ii) equity-like securities, including individual securities, and derivatives, giving long and short exposure to (*i.e.*, economic characteristics similar to) issuers primarily engaged in the real estate industry.

RVB Capital will make investment decisions based primarily on a relative value fundamental framework. These investment decisions will be guided by RVB Capital selecting individual securities using a bottom-up approach, focused primarily on a relative value-oriented process that reflects the macro-level investment themes and a due diligence process that includes, among other analytical components, an assessment of issuer-specific factors such as management acumen and strategic direction.

RVB Capital may dynamically adjust its level of long and short exposure to the real estate markets over time based on macroeconomic, industry-specific, and other factors. RVB Capital pursues a strategy commonly referred to as "market neutral" because it is intended to maintain long and short positions that offset one another. As a result, the Client's net market exposure will normally approximate zero. RVB Capital's long-short real estate strategy is designed to reduce the Client's overall exposure to general stock market movements and produce returns that are uncorrelated to the general stock market.

RVB Capital investment strategy generally breaks down in the following four buckets:

- Equity Long/Short Pairs (*max 50% of gross capital*): Sub sector paired ideas with a minimum 10% expected return on each pair with net dollar and beta exposure of <10%;

- Equity Sharp Shooting. (max 25% of gross capital): Single stock ideas with a minimum 15% expected return per position. These are high conviction ideas based on fundamentals. Net and dollar and beta exposure <25% generally;
- Equity Tactical (max 15% of gross capital): Shorter term technical and flow driven positions with a minimum expected return of 5% per position (average position size 2% of gross capital). Net dollar and beta exposure <15% generally; and
- Preferred Stock (max 15% of gross capital): Minimum 6% current yield, 100% net dollar long and 10% beta long.

In selecting investments for the Clients, RVB Capital also determines suitability based upon the portfolio requirements that have been agreed to with the Clients and are embodied as contractual requirements in applicable governing documents and/or Management Agreement or in other related documents. These portfolio requirements include, among other things, overnight and intra-day investment limits per position, per issuer, per industry and as a percentage of total portfolio size, all of which are factored into RVB Capital's analysis with regard to the size and duration of its investment decisions.

### **Risks of Loss**

**Clients should understand that all investment strategies and the investments made when implementing those investment strategies involve risk of loss and Clients should be prepared to bear the loss of assets invested. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a Client's investments fluctuates due to market conditions and other factors. The investment decisions made and the actions taken for Clients accounts are subject to various market, liquidity, currency, economic and political risks, and will not necessarily be profitable. Past performance of Clients accounts is not indicative of future performance.**

Investing with RVB Capital involves a high degree of risk for the Client and is suitable only for persons having substantial financial resources who understand the long-term nature, the consequences, and the risks associated with the investment strategy. There can be no assurance that RVB Capital's investment program will be profitable or that any particular Client will not incur losses in its account.

***Business and Market Risks.*** Investments may involve a high degree of business and financial risk, which could result in substantial loss to a Client. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in national or international economic and market conditions, and changes in laws, regulations, fiscal policies, or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks on security operations. The possibility of partial or total loss of capital will exist.

***Business and Regulatory Risks.*** The regulatory environment is evolving, and changes in the regulation of investment advisers may adversely affect the value of investments in client accounts and the ability of Client accounts to obtain the leverage they might otherwise obtain or to pursue RVB Capital's trading strategies. In addition, securities markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organizations and exchanges are authorized to take

extraordinary actions in the event of market emergencies. The effect of any future regulatory change on client accounts could be substantial and adverse.

**Concentration Risk.** The increased risk of loss associated with not having a diversified portfolio (*i.e.*, Client accounts concentrated in a geographic region, industry sector or issuer are more likely to experience greater loss due to an adverse economic, business or political development affecting the region, sector or issuer than an account that is diversified and therefore has less overall exposure to a particular region, sector or issuer).

Real estate companies may lack diversification due to ownership of a limited number of properties and concentration in a particular geographic region or property type. By concentrating in the real estate industry, the Client is subject to the risks specifically affecting that industry more than a client that invests across a variety of industries.

**Counterparty Credit Risk.** RVB Capital may invest Client assets in financial instruments and over-the-counter (“OTC”)-traded derivatives involving counterparties to gain exposure to a particular group of securities, index, asset class or other reference asset without actually purchasing those securities or investments, or to hedge a position. Through these investments, the Client is exposed to credit risks that the counterparty may be unwilling or unable to make timely payments to meet its contractual obligations. If the counterparty becomes bankrupt or defaults on (or otherwise becomes unable or unwilling to perform) its payment obligations to the Client, the Client may not receive the full amount that it is entitled to receive or may experience delays in recovering the collateral held by, or on behalf of, the counterparty.

**Cyber-Security Risk.** Investment advisers, including RVB Capital, increasingly rely on information and technology systems to conduct their business. Such systems might in some circumstances be subject to cybersecurity incidents or similar events that could potentially result in damage or interruption to these systems, unauthorized access to sensitive transactional and personal information, intentional misappropriation, corruption or destruction of data, or operational disruption. RVB Capital maintains an information technology security policy and has implemented certain technical and physical safeguards intended to protect the integrity of its information and technology systems. Nonetheless, despite reasonable precautions, cybersecurity incidents could potentially occur, and might in some circumstances result in the failure to maintain the security, confidentiality or privacy of sensitive data. Cybersecurity incidents experienced by third party vendors or service providers may indirectly affect Clients. Cybersecurity risks can disrupt the ability to engage in transactional business, cause direct financial loss and affect the value of assets in which Clients invest, harm RVB Capital’s reputation, lead to violations of applicable laws, result in ongoing prevention, risk management and compliance costs, and otherwise affect business and financial performance.

**Derivatives Risk.** Derivatives may pose risks in addition to and greater than those associated with investing directly in securities, currencies or other investments, including risks relating to leverage, imperfect correlations with underlying investments or the Client’s other portfolio holdings, high price volatility, lack of availability, counterparty credit, liquidity, valuation and legal restrictions. Their use is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. The Client’s use of derivatives to obtain short exposure may result in greater volatility of the Client’s net asset value. If RVB Capital is incorrect about its expectations of market conditions, the use of derivatives could also result in a loss, which in some cases may be



unlimited. In addition, the Client's use of derivatives may cause the Client to realize higher amounts of short term capital gains (generally taxed at ordinary income tax rates) than if the Client had not used such instruments. Some of the derivatives in which the Client invests may be traded (and privately negotiated) in the OTC market. OTC derivatives are subject to heightened credit, liquidity and valuation risks. Certain risks also are specific to the derivatives in which the Client invests.

**Swap Agreements Risk.** Swap agreements are contracts among the Client and a counterparty to exchange the return of the pre-determined underlying investment (such as the rate of return of the underlying index). Swap agreements may be negotiated bilaterally and traded OTC between two parties or, in some instances, must be transacted through a futures commission merchant and cleared through a clearinghouse that serves as a central counterparty. Risks associated with the use of swap agreements are different from those associated with ordinary portfolio securities transactions, due in part to the fact they could be considered illiquid and many swaps trade on the OTC market. Swaps are particularly subject to counterparty credit, correlation, valuation, liquidity and leveraging risks. Certain standardized swaps are subject to mandatory exchange trading and central clearing. Exchange trading and central clearing are intended to reduce counterparty credit risk and increase liquidity but do not make swap transactions risk-free. Additionally, applicable regulators have adopted rules imposing certain margin requirements, including minimums, on OTC swaps, which may result in the Client and its counterparties posting higher margin amounts for OTC swaps.

**Futures Contracts Risk.** Futures contracts are exchange-traded contracts that call for the future delivery of an asset at a certain price and date, or cash settlement of the terms of the contract. Risks of futures contracts may be caused by an imperfect correlation between movements in the price of the instruments and the price of the underlying securities. In addition, there is the risk that the Client may not be able to enter into a closing transaction because of an illiquid market. Exchanges can limit the number of positions that can be held or controlled by the Client or RVB Capital, thus limiting the ability to implement the Client's strategies. Futures markets are highly volatile and the use of futures may increase the volatility of the Client's assets. Futures are also subject to leverage risks and to liquidity risk.

**Options Risk.** Options or options on futures contracts give the holder of the option the right, but not the obligation, to buy (or to sell) a position in a security or in a contract to the writer of the option, at a certain price. They are subject to correlation risk because there may be an imperfect correlation between the options and the securities markets that cause a given transaction to fail to achieve its objectives. The successful use of options depends on RVB Capital's ability to predict correctly future price fluctuations and the degree of correlation between the options and securities markets. Exchanges can limit the number of positions that can be held or controlled by the Client or RVB Capital, thus limiting the ability to implement the Client's strategies. Options are also particularly subject to leverage risk and can be subject to liquidity risk.

**Equity Risks.** The market price of securities owned by Clients may go up or down, sometimes rapidly or unpredictably. The equity securities in Clients' portfolios may decline in value due to factors affecting equity securities markets generally or the energy sector. The values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or

perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, including the basic minerals sector, such as labor shortages or increased production costs and competitive conditions within an industry. Other risks of investing globally in equity securities may include changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and difficulty in obtaining and enforcing judgments against non-U.S. entities. In addition, securities which RVB Capital believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame we anticipate. As a result, Clients may lose all or substantially all of their investments in any particular instance.

***Exchange Traded Funds.*** RVB Capital may invest Client assets in Exchange Traded Funds (“ETFs”) as an efficient means of carrying out its investment strategies. The value of an investment in an ETF may vary depending upon the performance of the underlying pool of investments held by the ETF, the fees and expenses charged by the ETF, and other factors. ETFs are traded on exchanges or on the over-the counter market, and the shares may trade at, above, or below their net asset value. Investors typically pay only customary brokerage fees to buy and sell shares. When shares are traded on an exchange, an active trading market for shares may not develop or be maintained, and trading of the shares may be halted if the listing exchange’s officials deem such actions appropriate, the shares are delisted from the exchange or the activation of market-wide “circuit breakers” (which are tied to large decreases in stock prices) halts stock trading generally. An investment in an ETF by RVB Capital on behalf of Clients generally will have the same primary risks as the investment strategy that RVB Capital is utilizing to manage the Client’s account for which an ETF is purchased by RVB Capital. The risks of investing in ETFs are described fully in their prospectuses and other offering documents. Like other investments, it is possible to lose money by investing in an ETF.

***Foreign Securities and Currency Risk.*** RVB Capital may invest Client assets in foreign securities. Foreign securities carry unique or additional risks when compared to U.S. securities, including currency fluctuations, adverse political and economic developments, unreliable or untimely information, less liquidity and more volatility, limited legal recourse and higher transactional costs. The Client may hold the securities of non-U.S. companies in the form of American Depositary Receipts (“ADRs”). The underlying securities of the ADRs in the Client’s portfolio are subject to risks common to foreign securities as well as fluctuations in foreign currency exchange rates that may affect the value of the Client’s portfolio. In addition, the value of the securities underlying the ADRs may change materially when the U.S. markets are not open for trading.

***General Economic and Market Conditions.*** The success of RVB Capital’s Clients is affected by general economic and market conditions, including, among others, interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and trade barriers. These factors may affect the level and volatility of securities prices and the liquidity of investments. Volatility or illiquidity could impair profitability or result in losses. These factors also may affect the availability or cost of leverage, which may result in lower returns.

***General Market Risks.*** Recent legal and regulatory changes, and additional legal and regulatory changes that could occur during a Client’s applicable term, may adversely impact Clients. The regulation of the US

and non-US securities and futures markets and investment funds has undergone substantial change in recent years and such change may continue. The effect of such new regulations on Clients, while impossible to predict, could be substantial and adverse and may, directly or indirectly, subject Clients to increased capital requirements, fees and expenses, as well as limits on the types of investors they may solicit. The full effect of recent and future legislation cannot yet be known.

Laws and regulations, particularly those involving taxation, investment and trade, applicable to the activities of a Client can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the Client's interests. It is impossible to predict what, if any, changes in regulation applicable to Clients or RVB Capital, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. Clients and/or RVB Capital may be or may become subject to unduly burdensome and restrictive regulation.

In recent years, due to events in the financial markets, the financial services industry generally, and the activities of private pooled investment vehicles and their managers in particular, have been subject to intense and increasing regulatory scrutiny in the United States and in other jurisdictions. Such scrutiny and accompanying regulatory changes may increase the exposure of Clients to potential liabilities and to legal, compliance and other related costs and may have an adverse effect on private pooled investment vehicles generally, and in particular, on the ability of Clients to achieve their investment objectives. The private pooled investment vehicle industry may continue to be adversely affected by the recent developments in the financial markets in the U.S. and abroad going forward, and any future legal, regulatory, or governmental action and developments in such financial markets and the broader global economy could have an adverse effect on the business of Clients, operations and performance.

The entire market or particular instruments traded on a market may decline even if earnings or other factors improve inasmuch as the prices of such instruments are subject to numerous economic, political, psychological and other factors that have little or no correlation to the performance of a particular company. A Client may elect to hedge against market movements or the credit or other risks of any particular portfolio investment, whether by means of a derivative or other financial product or instrument. To the extent that Clients engage in certain hedging transactions, there can be no assurances that such hedging will insulate such Client from risks, and hedging techniques, whether via a derivative or other product or instrument, may give rise to certain costs and additional risks, including a risk of the total loss of any amounts invested in hedging instruments.

***Hedging Policies/Risks.*** In connection with certain investments, Clients may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices, commodities prices, currency exchange rates, as well as other risks. While such transactions may reduce certain risks, hedging transactions themselves entail other risks. Thus, while Clients may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, commodities prices, currency exchange rates or other factors may result in a poorer overall performance for Clients that enter into hedging transactions.

***Highly Volatile Markets.*** The prices of financial instruments in which RVB Capital may invest Client assets can be highly volatile. Price movements of the financial instruments in which Client assets are invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and

international political and economic events and policies. Clients are subject to the risk of failure of any of the exchanges on which their positions trade or of their clearinghouses. In addition, governments from time to time intervene in certain markets, directly and by regulation, particularly in currencies, futures and options. Such intervention is often intended to directly influence prices and may, together with other factors, cause some or all of these markets to move rapidly in the same direction. The effect of such intervention is often heightened by a group of governments acting in concert.

***Illiquid Investments.*** Under certain market conditions, such as during volatile markets or when trading in an interest or market is otherwise impaired, the liquidity of Client investments may be reduced. In addition, a Client may from time to time hold large positions with respect to a specific type of investment, which may reduce the Client's liquidity. During such times, the Client may be unable to dispose of certain assets, which would adversely affect the Client's ability to rebalance its portfolio or to meet withdrawal requests. In addition, such circumstances may force the Client to dispose of assets at reduced prices, thereby adversely affecting the Client's performance. If there are other market participants seeking to dispose of similar assets at the same time, the Client may be unable to sell such assets or prevent losses relating to such assets. Furthermore, if a Client incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In conjunction with a market downturn, the Client's counterparties could incur losses of their own, thereby weakening their financial condition and increasing the Client's credit risk to them. Many non-U.S. financial markets are not as developed or as efficient as those in the U.S., and as a result, liquidity may be reduced for Client investments.

***Investment and Trading Risks Generally.*** All investments risk the loss of capital. No guarantee or representation is or can be made that RVB Capital's investment program will be successful. RVB Capital's investment program may involve, without limitation, risks associated with limited diversification, short-selling, commodity interest trading, equity risks, distressed issuers, interest rates, volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in RVB Capital's activities. Certain investment techniques may, in certain circumstances, substantially increase the impact of adverse market movements to which RVB Capital's Clients may be subject. In addition, Client investments may be materially affected by conditions in the financial markets and U.S. and worldwide economic conditions. RVB Capital's methods of minimizing such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

***Investments in Distressed Issuers.*** RVB Capital may invest Client assets in equity securities of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems and "below investment-grade" debt securities, including companies involved in covenant or payment default or in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments although they also may offer the potential for high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies' securities may

be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is high, and there is no assurance that RVB Capital will analyze such investments correctly.

***IPO Risk.*** The market value of IPO shares will fluctuate considerably due to factors such as the absence of a prior public market, unseasoned trading, the small number of shares available for trading and limited information about the issuer. The purchase of IPO shares may involve high transaction costs. IPO shares are subject to market risk and liquidity risk.

***Key Person Risk.*** RVB Capital relies heavily on the services of its Chief Executive Officer, Mr. Rishi K. Bhatia. Mr. Bhatia is responsible for all of the major decisions affecting RVB Capital and is the sole expert on the proprietary software and algorithms used in RVB Capital's investment program. Should Mr. Bhatia discontinue managing the affairs of RVB Capital or withdraw from RVB Capital, or should Mr. Bhatia die, be incapacitated or be unable to effectively manage the affairs of RVB Capital for some other reason, the performance of Client accounts may be adversely affected.

***Large-Cap Company Risk.*** Larger, more established companies may be unable to attain the high growth rates of successful, smaller companies during periods of economic expansion.

***Liquidity Risk.*** The risk that a Client may not be able to monetize investments and may have to hold to maturity or may also only be able to obtain a lower price for investments either because those investments have become less liquid or illiquid in response to market developments or adverse investor perceptions. Investments that are illiquid or that trade in lower volumes may be more difficult to value.

***Low Trading Volume Risk.*** The risk that a Client may not be able to monetize his/her investment or will have to do so at a loss as a result of generally lower trading volumes of the securities compared to other types of securities or financial instruments.

***Management and Strategy Risk.*** The value of a Client's investment depends on the judgment of RVB Capital about the quality, relative yield, value or market trends affecting a particular security, industry, sector or region, which may prove to be incorrect. Investment strategies employed by RVB Capital in selecting investments for a Client may not result in an increase in the value of the Client's investment or in overall performance equal to other investments.

***Market/Volatility Risk.*** The risk that the value of the assets in which a Client invests may decrease (potentially dramatically) in response to the prospects of individual companies, particular industry sectors or governments, changes in interest rates and national and international political and economic events due to increasingly interconnected global economies and financial markets.

***Micro-Cap Companies Risk.*** Stock prices of microcap companies are significantly more volatile, and more vulnerable to adverse business and economic developments, than those of larger companies. Microcap stocks may also be thinly traded, making it difficult for a Client's portfolio to buy and sell them.

***Monetary Policy and Governmental Intervention.*** As part of the response to the 2008 global financial crisis, the U.S. Federal Reserve (the “Federal Reserve”) and global central banks, including the European Central Bank, have – in addition to other governmental actions to stabilize markets and seek to encourage economic growth – acted to hold interest rates to historic lows. It cannot be predicted with certainty when, or how, these policies will change, but actions by the Federal Reserve and other central bankers may have a significant effect on interest rates and on the U.S. and world economies generally, which in turn may affect the performance of the investments of Clients. Further financial crises may result in additional governmental intervention in the markets. In addition, the consequences of the extensive changes to the regulation of various markets and market participants contemplated by the legislation and increased regulation arising out of the financial crisis are difficult to predict or measure with certainty.

***No Assurance of Investment Returns.*** RVB Capital cannot give Clients assurance that investments will generate returns or that returns will be commensurate with the risks of investing in the type of companies and transactions that fall within such Clients’ individual investment objectives.

***Non-Diversification Risk.*** RVB Capital’s investment strategy is typically considered non-diversified because it may invest a large portion of its Clients assets in a small number of issuers. As a result, the Client is more susceptible to risks associated with those issuers and the Client may experience greater losses and volatility than a more diversified portfolio.

***Pay-to-Play Laws, Regulations and Policies.*** A number of U.S. states and municipal pension plans have adopted so-called “pay-to-play” laws, regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including those seeking investments by public retirement funds. The SEC has adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation to a government client for two years after the adviser or certain of its executives, employees or agents makes a contribution to certain elected officials or candidates. If any of RVB Capital’s employees or affiliates or any service provider acting on their behalf fail to comply with such laws, regulations or policies, such non-compliance could have an adverse effect on Clients.

***Portfolio Turnover.*** RVB Capital’s investment strategy typically involves active trading in Client accounts, and as a result, turnover and brokerage commission expenses incurred by Clients may significantly exceed those incurred in other types of investment strategies.

***Position Limits.*** Position limits imposed by various regulators may also limit RVB Capital’s ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular financial instrument. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. Thus, even if RVB Capital does not intend to exceed applicable position limits, it is possible that different accounts managed by RVB Capital may be aggregated. To the extent that Client position limits were collapsed, the effect on Clients and resulting restriction on their investment activities may be significant. If at any time positions managed by RVB Capital were to exceed applicable position limits, RVB Capital would be required to liquidate positions of its Clients to the extent necessary to come within those limits. Further, to avoid exceeding the position limits, RVB Capital might have to forego or modify certain of Client contemplated trades.

***Possibility of Fraud and Other Misconduct of Employees and Service Providers.*** Misconduct by employees of RVB Capital, service providers to Clients and/or their respective affiliates could cause significant losses to such Clients. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such Clients, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such Clients, and non-compliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such Clients. RVB Capital has controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that RVB Capital will be able to identify or prevent such misconduct.

***Real Estate Investments Risk.*** RVB Capital will invest Client assets in securities of real estate companies and companies related to the real estate industry, which are subject to the same risks as direct investments in real estate. These risks include, among others: changes in national, state or local real estate conditions; obsolescence of properties; changes in the availability, cost and terms of mortgage funds; changes in the real estate values and interest rates; and the generation of sufficient income. Real estate companies tend to have micro-, small- or mid-capitalization, making their securities more volatile and less liquid than those of companies with larger-capitalizations. Real estate companies may use leverage (and some may be highly leveraged), which increases investment risk and the risks normally associated with debt financing and could adversely affect a real estate company's operations and market value in periods of rising interest rates. These risks are especially applicable in conditions of declining real estate values, such as those experienced during 2007 through 2009.

***Regulation and Enforcement; Litigation.*** Clients may be subject to regulation by laws at local and national levels and in multiple jurisdictions, including foreign countries. Specific and general regulations addressing capital markets, including tax laws and regulations, whether in the United States or abroad, could increase the cost of acquiring, holding, or divesting portfolio investments, the profitability of investments, and the costs of operating the Clients. Additional regulation could also increase the risk of third-party litigation.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), among other things, granted regulatory authorities such as the Commodity Futures Trading Commission (the "CFTC"), the SEC and the Consumer Financial Protection Bureau (the "CFPB") broad rulemaking and enforcement authority to implement and oversee various provisions of the Dodd-Frank Act, including comprehensive regulation of the over-the-counter derivatives and consumer finance markets. These expanded powers have resulted in rules that could adversely affect Clients or investments made by Clients.

In addition, there can be no assurance that Clients, RVB Capital or any of their respective affiliates will avoid regulatory examination or enforcement actions. Even if an investigation or proceeding does not result in a sanction being imposed against RVB Capital or any of its affiliates, or such sanction is small in monetary amount, the Clients, RVB Capital and/or their respective affiliates may be subject to adverse publicity relating to the investigation, proceeding or imposition of such sanctions. There is also a risk that regulatory agencies in the United States and abroad will continue to adopt, change or enhance new or existing laws or regulations, which may result in additional regulatory scrutiny.

Clients may also indirectly be affected by regulation of banks and other financial services firms with which the Clients do business, from which they obtain financing or other services, or to which they seek to sell interests in securities. The regulatory regimes applicable to financial services firms with which Clients do business may increase borrowing costs or limit the terms or availability of credit, affect the terms or pricing of securities or have other indirect effects.

**REIT Risk.** In addition to the risks pertaining to real estate investments more generally, REITs are subject to additional risks. The value of a REIT can depend on the structure of and cash flow generated by the REIT. REITs whose investments are concentrated in a limited number or type of properties, investments or narrow geographic area are subject to the risks affecting those properties or areas to a greater extent than a REIT with less concentrated investments. REITs are also subject to certain provisions under federal tax law. In addition, REITs may have expenses, including advisory and administration expenses, and the Client will incur its pro rata share of the underlying expenses.

**Risk Control Framework.** No risk control system is fail-safe, and no assurance can be given that any risk control framework employed by RVB Capital will achieve its objective. Target risk limits developed by RVB Capital may be based upon historical trading patterns for the securities and financial instruments in which it invests. No assurance can be given that such historical trading patterns will accurately predict future trading patterns.

**Short Sales.** Short selling is the practice of selling securities, commodities or other underlying investments or derivative investments that are not owned by the seller, generally when the seller anticipates a decline in the price of the underlying investment or for hedging purposes. To complete a short sale, Clients generally must borrow the underlying investments from a third party in order to make delivery to the buyer. RVB Capital generally will be required to pay a brokerage commission that will increase the cost to Clients of selling such underlying investments. The proceeds of the short sale plus additional cash or underlying investments must be deposited as collateral with the lender of the underlying investments to the extent necessary to meet margin requirements. The amount of the required deposit will be adjusted periodically to reflect any change in the market price of the underlying investments that a Client is required to return to the lender. The Client generally will be entitled to receive payments from the lender with respect to the short sale proceeds and additional cash on deposit with the lender at negotiated interest rates. The Client will be obligated to return the applicable underlying investments equivalent to those borrowed at any time on demand of the lender of the underlying investments borrowed by purchasing them at the market price at the time of replacement. Until the underlying investments are replaced, the Client will be required to pay to the lender amounts equal to any dividends or interest that accrue during the period of the loan of the underlying investments. An increase in the value of any underlying investment that is the subject of short selling by a Client may, as a result of the foregoing, have a material adverse effect on the assets of the Client, and therefore the return on investment of the Client.

Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the performance of Client accounts. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.



***Small-Cap and Mid-Cap Company Risk.*** The securities of small-capitalization and mid-capitalization companies may be subject to more abrupt or erratic market movements and may have lower trading volumes or more erratic trading than securities of larger, more established companies or market averages in general. In addition, such companies typically are more likely to be adversely affected than large capitalization companies by changes in earning results, business prospects, investor expectations or poor economic or market conditions.

***Terrorist Attacks, War and Natural Disasters.*** Terrorist activities, anti-terrorist efforts, armed conflicts involving the United States or its interests abroad and natural disasters may adversely affect the United States, its financial markets and global economies and markets and could prevent RVB Capital and its Clients from meeting their respective investment objectives and other obligations. The potential for future terrorist attacks, the national and international response to terrorist attacks, acts of war or hostility and recent natural disasters have created many economic and political uncertainties, which may adversely affect the United States and world financial markets and RVB Capital's Clients for the short or long-term in ways that cannot presently be predicted.

***Uncertainty of Financial Projections.*** As part of its due diligence of a potential investment, RVB Capital for a Client investing in securities or interests in a company generally may do so on the basis of the company's financial projections. Projected operating results normally will be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections and the performance of any investment in such company.

***Use of Leverage.*** Depending on the specific arrangement with each Client, RVB Capital may use leverage which would result in a Client account controlling substantially more assets than the amount of equity in the account. Leverage increases the returns if the Client account earns a greater return on investments purchased with borrowed funds than the cost of borrowing such funds. However, the use of leverage would expose the Client's account to additional levels of risk, including (i) greater losses from investments than if the Client account had not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions, and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the assets in a Client account, RVB Capital might not be able to liquidate assets quickly enough to repay the borrowings, further magnifying the losses.

**THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL OF THE INVESTMENT RISKS RVB CAPITAL AND ITS CLIENTS ARE EXPOSED TO AS A PART OF RVB CAPITAL'S BUSINESS.**

## **Item 9 Disciplinary Information**

This Item requests information relating to legal and disciplinary events in which RVB Capital or any supervised persons, as defined by the Advisers Act, have been involved that are material to Client's or prospective Client's evaluations of RVB Capital's advisory business or management. There is no reportable material legal or disciplinary events related to RVB Capital or any of its supervised persons. In the ordinary course of RVB Capital's business, RVB Capital, its affiliates and employees have not in the past been subject to any formal or informal regulatory inquiries, subpoenas, investigations, legal or regulatory proceedings involving the SEC, or any other regulatory authorities, including private parties and self-regulatory organizations (SRO).

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

### **Affiliated Broker-Dealers**

RVB Capital and its affiliates are not registered, nor has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. RVB Capital has no existing or pending affiliations with a broker-dealer or a registered representative of a broker-dealer.

### **Affiliated CPO and/or CTA**

RVB Capital and its affiliates are not registered, nor has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. RVB Capital has no existing or pending affiliations with a futures commission merchant, commodity pool operator, a commodity trading advisor.

### **Relationship or Arrangements with Affiliates and/or Related Persons**

Neither RVB Capital, nor its principals or any executive officer has any relationship or arrangement with a related person that is material to its advisory business or its Clients or could create a material conflict of interest with Clients.

### **Other Activities and Affiliations**

RVB Capital may from time to time engage third-parties to provide certain consulting and strategic advisory services with respect to RVB Capital. In consideration of such services, RVB Capital may provide office space, administrative support and other benefits to such persons.

### **Conflicts Related to Affiliations and Other Legal Restrictions**

RVB Capital may be restricted by law, regulation, or contract as to how much of a particular security it may invest on behalf of a Client, and as to the timing of a purchase or sale. For example, holdings of a security on behalf of RVB Capital's Clients may, under some SEC or state regulations, be aggregated with the holdings of that security by its affiliates. These holdings, on an aggregate basis, could exceed certain regulatory reporting thresholds unless RVB Capital, as well as its affiliates, monitor and restrict additional purchases.

## Item 11 Code of Ethics

RVB Capital maintains a policy of strict compliance with the highest standards of ethical business conduct and the provisions of applicable federal securities laws, including rules and regulations promulgated by the SEC, and has adopted policies and procedures described in its Code of Ethics. The Code of Ethics has been adopted by RVB Capital in compliance with Section 204A of the Advisers Act. The Code of Ethics applies to each employee of RVB Capital and any other “access person” as defined under the Advisers Act. It is designed to ensure compliance with legal requirements of RVB Capital’s standard of business conduct.

A complete copy of RVB Capital’s Code of Ethics is available to any Client or prospective Client upon request.

The Code of Ethics is based upon the premise that all RVB Capital personnel have a fiduciary responsibility to render professional, continuous and unbiased investment advisory services. The Code of Ethics requires all personnel to: (i) comply with all applicable laws and regulations; (ii) observe all fiduciary duties and put Client interests ahead of those of RVB Capital; (iii) observe RVB Capital’s personal trading policies so as to avoid “front-running” and other conflicts of interests between RVB Capital and its Clients; and (iv) ensure that all personnel have read the Code of Ethics, agreed to adhere to the Code of Ethics, and are aware that a record of all violations of the Code of Ethics will be maintained by RVB Capital’s Chief Compliance Officer, and that personnel who violate the Code of Ethics are subject to sanctions by RVB Capital, up to and including termination.

**Standards of Conduct:** RVB Capital and its access persons are expected to comply with all applicable federal and state laws and regulations. Access persons are expected to adhere to the highest standards of ethical conduct and maintain confidentiality of all information obtained in the course of their employment and bring any risk issues, violations, or potential violations to the attention of the Chief Compliance Officer. Access persons are expected to deal with Clients fairly and disclose any activity that may create an actual or potential conflict of interest between them and RVB Capital or Client.

**Ethical Business Practices:** Falsification or alteration of records or reports, also known as a prohibited financial practice, or knowingly approving such conduct is prohibited. Payments to government officials or government employees are prohibited except for political contributions approved by RVB Capital’s Chief Compliance Officer or his designee. RVB Capital seeks to outperform its competition fairly and honestly and seeks competitive advantages through superior performance not illegal or unethical dealings. Access persons are strictly prohibited from (i) participating in industry-related online blogging and communication with the media, unless approved by the Chief Executive Officer, and (ii) spreading of false rumors pertaining to any publicly traded company.

**Confidentiality:** Employees must maintain the confidentiality of RVB Capital’s proprietary and confidential information, and must not disclose that information unless the necessary approval is obtained. RVB Capital has a particular duty and responsibility, as investment adviser, to safeguard Client information. Information concerning the identity and transactions of investors is confidential, and such information will only be disclosed to those employees and outside parties who may need to know it in order to fulfill their responsibilities.

**Gift and Entertainment Policy:** Access persons shall not, directly or indirectly, take, accept or receive gifts or other consideration in merchandise, services or otherwise of more than nominal value from any person, firm, corporation, association or other entity other than such person's employer that does business, or proposes to do business, with RVB Capital or any of its affiliates.

### **Personal Trading**

**Personal Trading Policy:** Access persons are allowed to trade reportable securities, however all transactions in reportable securities must be pre-approved by the Chief Compliance Officer or his designee. Access persons may not purchase or otherwise acquire direct or indirect beneficial ownership of any reportable security, and may not sell or otherwise dispose of any reportable security in which he or she has direct or indirect beneficial ownership, if he or she knows or should know at the time of entering into the transaction that: (i) a Client has purchased or sold the reportable security within the last five (5) calendar days, or is purchasing or selling or intends to purchase or sell the reportable security in the next five (5) calendar days; or (ii) RVB Capital has within the last five (5) calendar days considered purchasing or selling the reportable security for any Client or within the next five (5) calendar days intends to consider purchasing or selling the reportable security for any Client. Access persons must obtain approval from the Chief Compliance Officer or his designee before directly or indirectly acquiring beneficial ownership in any securities in an initial public offering or in a limited offering (including, private placements). Access persons who violate the personal trading policy are reprimanded in accordance with the sanctions provisions outlined in the Code of Ethics. Personal securities transactions are reviewed by the Chief Compliance Officer or his designee for compliance with the personal trading policy and applicable SEC rules and regulations.

No access person shall recommend any transaction in any reportable securities by Clients without having disclosed to the Chief Compliance Officer his or her interest, if any, in such reportable securities or the issuer thereof, including: (i) the access person's beneficial ownership of any reportable securities of such issuer; (ii) any contemplated transaction by the access person in such reportable securities; (iii) any position the access person has with such issuer; and (iv) any present or proposed business relationship between such issuer and the access person (or a party in which the access person has a significant interest).

**Prohibition against Insider Trading:** RVB Capital forbids any access person from trading, either personally or on behalf of others, including Clients advised by RVB Capital, on material non-public information or communicating material non-public information to others in violation of the law or duty owed to another party. This conduct is frequently referred to as "insider trading". The concepts of material non-public information, penalties for insider trading, and processes for identifying insider trading are addressed in detail in the Compliance Manual and Code of Ethics.

**Reporting Requirements:** In compliance with SEC rules, access persons are required to disclose all of their personal brokerage accounts and holdings within ten (10) days of initial employment with RVB Capital, within ten (10) days after the end of each calendar quarter of opening a new account, and annually thereafter. Additionally, the last day of the month following each quarter-end, all access persons must report all transactions in reportable securities over which the access person had any direct or indirect beneficial ownership. Access persons are also required annually to affirm all reportable transactions from the prior year.

## **Privacy and Confidentiality**

**Privacy Policy:** RVB Capital has adopted a privacy policy that explains the manner, in which RVB Capital collects, utilizes and maintains nonpublic personal information about Clients and Clients' investors. RVB Capital recognizes and respects the privacy concerns of potential, current and former Clients and Clients' investors. RVB Capital is committed to safeguarding this information. As a member of the financial services industry, RVB Capital will provide this Privacy Policy for informational purposes to Clients, Clients' investors and employees and will distribute and update it as required by law. A complete copy of RVB Capital's Privacy Policy is available to any Client or prospective Client upon request.

**Collection of Information and Disclosure of Nonpublic Personal Information:** To provide investors with effective service, RVB Capital may collect several types of nonpublic personal information about investors, including: (i) information from forms that investors may fill out, such as subscription forms, questionnaires and other information provided by investors in writing, in person, by telephone, electronically or by any other means. This information includes name, address, nationality, tax identification number, and financial and investment qualifications; (ii) information investors may give orally; (iii) information about transactions within RVB Capital, including account balances, investments and withdrawals; (iv) information about the amount investors have invested, such as initial investment and any additions to and withdrawals from an investment in the Clients; and (v) information about any bank accounts investors may use for transfers to or from accounts (if applicable).

**Disclosure of Nonpublic Personal Information:** RVB Capital does not sell or rent Client investor information. RVB Capital uses this information to conduct business with its Clients: to develop or enhance its products and services; to understand the financial needs of its Clients so that RVB Capital can provide such Clients with quality products and superior service; and to protect and administer its Clients' records, accounts and funds. RVB Capital does not disclose nonpublic personal information about its investors to nonaffiliated third parties, except as permitted or required by law. For example, RVB Capital may share nonpublic personal information in the following situations: (i) to service providers in connection with the administration and servicing of RVB Capital and its Clients; this may include attorneys, accountants, auditors and other professionals. RVB Capital may also share information in connection with the servicing or processing of investor transactions; (ii) to affiliated companies in order to provide investors with ongoing personal advice and assistance with respect to the products and services investors have purchased through RVB Capital and to introduce investors to other products and services that may be of value to such investors; (iii) to respond to a subpoena or court order, judicial process or regulatory authorities; (iv) to protect against fraud, unauthorized transactions (such as money laundering), claims or other liabilities; and (v) upon consent of an investor to release such information, including authorization to disclose such information to persons acting in a fiduciary or representative capacity on behalf of the investor.

**Protection of Client Information:** RVB Capital's policy is to require that all employees, financial professionals and companies providing services on its behalf keep Client and investor information confidential. RVB Capital maintains safeguards that comply with federal standards to protect Client and investor information. RVB Capital restricts access to the personal and account information of Clients and investors to those employees who need to know that information in the course of their job responsibilities. Third-parties with whom RVB Capital shares Client or investor information must agree to follow appropriate standards of security and confidentiality. RVB Capital's privacy policy applies to both current

and former Clients and investors. RVB Capital may disclose nonpublic personal information about a former Client to the same extent as for a current Client.

**Changes to Privacy Policy:** RVB Capital may make changes to its privacy policy in the future. RVB Capital will not make any change affecting any Client without first sending to that Client a revised privacy policy describing the change.

### **Potential Conflicts of Interest**

**Allocation of Investment Opportunities:** RVB Capital acts as investment adviser to more than one Client that may have similar investment objectives and pursue similar strategies. Certain investments identified by RVB Capital may be appropriate for multiple Clients. When it is determined by RVB Capital that it would be appropriate for more than one Client to participate in an investment opportunity, RVB Capital will generally allocate such investment *pro rata* among the participating Clients in proportion to the relative total market value of each participating Client's portfolio on a pre-trade basis, taking into account such other factors as it may, in its sole discretion determine appropriate. Such factors in determining how an investment opportunity is allocated may include, but are not limited to, the following considerations: (i) investment objectives, guidelines, and restrictions of the Client, including any limitations and restrictions on a Client's portfolio that are imposed by such Client's governing documents; (ii) regulatory restrictions or legal contractual requirements; (iii) the size, nature, and type of investment; (iv) current holdings, targeted asset mix, or diversification requirements; (v) the availability of capital for investment (*i.e.*, cash position) or the size of a Client's portfolio; (vi) pre-determined tactical plan of a Client or Clients and corresponding capital commitments; (vii) minimum trade denominations; (viii) target investment return; (ix) risk-return considerations; (x) risk tolerance of the Client; (xi) relative exposure to market trends; (xii) tax consequence; (xiii) targeted leverage level; (xiv) strategic objectives; (xv) specific liquidity requirements or liquidity needs or constraints of the Client; (xvi) determination by the Investment Committee that the investment or sale opportunity is inappropriate, in whole or in part, for one or more of the Clients; or (xvii) other considerations that RVB Capital deems necessary or appropriate in light of the circumstances at such time. In addition, if it is fair and reasonable that certain Clients are fully filled of their appetite before others (*e.g.*, for tax considerations, to avoid *de minimis* partial allocations, to cover or close out an existing position to mitigate risk or losses, etc.), then these Clients may receive full or disproportionate allocations, with the remaining amounts allocated in accordance with normal procedures among the other participating Clients. One or more of the foregoing considerations in this paragraph may (and are often expected to) result in allocations among accounts other than on a *pari passu* basis. Accordingly, particular investment may be bought or sold for only one Client or in different amounts and at different times for more than one but less than all Clients, even though it could have been bought or sold for other Clients at the same time. Likewise, a particular investment may be bought for one or more Clients when one or more other Clients are selling the investment. In addition, purchases or sales of the same investment may be made for two or more Clients on the same date. There can be no assurance that a Client will not receive less (or more) of a certain investment than it would otherwise receive if RVB Capital did not have a conflict of interest among Clients.

In effecting transactions, it is not always possible, or consistent with the investment objectives of RVB Capital's various Clients, to take or liquidate the same investment positions at the same time or at the same prices. Certain investment restrictions may limit RVB Capital's ability to act for a Client and may reduce

performance. Regulatory and legal restrictions (including restrictions on aggregated positions) may also restrict the investment activities of RVB Capital and result in reduced performance.

RVB Capital seeks to manage and/or mitigate these potential conflicts of interest described by following procedures with respect to the allocation of investment opportunities for its Clients, including the allocation of limited investment opportunities. RVB Capital's allocation policy is based on a fundamental desire to treat each Client account fairly over time.

It is RVB Capital's general policy to allocate investments among its Clients in a manner which it believes to be fair and equitable. Allocations of investment opportunities should not be based on any of the following, or similar, reasons: (i) to generate higher fees paid by one account over another, or to produce greater fees to RVB Capital; (ii) to develop a relationship with a Client or prospective Client; or (iii) to compensate a Client for past services or benefits rendered to the company or any employee of RVB Capital or to induce future services or benefits to be rendered to RVB Capital or any employee of RVB Capital.

RVB Capital's policy, where an opportunity to purchase or sell the same securities contemporaneously for multiple Clients that have similar investment objectives and pursue similar strategies, is to aggregate Client trade orders when doing so is likely to result in a better overall price or reduced cost for the Client trade. Consistent with its fiduciary duties, RVB Capital allocates trades to its Clients on a fair and equitable basis as set forth in its written allocation policy. Each Client who participates in an aggregated order participates at the average share price with all transaction costs shared on a *pro rata* basis pursuant to RVB Capital's written procedures. It is RVB Capital's policy that in the event an aggregated trade order for a specific security on any given day cannot be fully executed under prevailing market conditions (*i.e.*, partially filled), then the security traded should be allocated among each participating Client *pro rata* in a manner RVB Capital deems to be fair and equitable, by taking into account the size of the trade order placed for each participating Client and any other relevant factors.

Client directed or other restrictions may affect the allocation of an order. If a Client directed restriction is placed on a particular security or group of securities, the order will be allocated to the other participating accounts as described above.

RVB Capital formulates written allocation plans in the form of order memoranda based on the investment guidelines, current exposure levels of each Client, and other factors set forth above across the various Client accounts including any ERISA accounts. When a new investment is being made, RVB Capital allocates investment opportunities among those Clients based upon the percentages determined by the plan.

**Position Conflicts:** Another type of conflict may arise if RVB Capital cause one Client account to buy a security and another Client account to sell or short the same security. Currently, such opposing positions are not permitted within the same account or within any accounts managed by the same portfolio manager without prior trade approval by the Chief Compliance Officer. In addition, transactions in investments by one or more affiliated Client accounts may have the effect of diluting or otherwise disadvantaging the values, prices or investment strategies of other Client accounts.

Generally, RVB Capital does not purchase, sell, or hold securities on behalf of Clients contrary to the current recommendations made to other affiliated Client accounts. However, because certain Client accounts may have investment objectives, strategies or legal, contractual, tax, or other requirements that



differ (such as the need to take tax losses, realize profits, raise cash, diversification, etc.), RVB Capital may purchase, sell, or continue to hold securities for certain Client accounts contrary to other recommendations. In addition, RVB Capital may be permitted to sell securities or instruments short for certain Client accounts and may not be permitted to do so for other Client accounts.

**Cross Trading:** In an effort to reduce transaction costs, increase execution efficiency, and capitalize on timing opportunities, RVB Capital may execute cross trades, or sell a security for one Client to another Client, without interposing a broker-dealer. All cross trades are subject to the cross-trade procedures set forth in RVB Capital's written policies and procedures. Cross trades, however, may present an inherent conflict of interest because RVB Capital and/or its affiliates represent the interest of the buyer and seller in the same transaction. As a result, Clients involved in a cross-trade bear the risk that the price obtained from a cross-trade may be less favorable than if the trade had been executed in the open market. In addition, see *Item 12 – Brokerage Practices*, Cross Trades of this Brochure for more information.

RVB Capital addresses these conflicts of interest by providing in its Code of Ethics that all supervised persons have a duty to act in the best interests of each Client, providing training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under RVB Capital's written policies and procedures, and through the implementation of cross-trade policies and procedures.

**Trade Aggregation:** In some circumstances, RVB Capital may seek to buy or sell the same securities contemporaneously for multiple Client accounts. RVB Capital may, in appropriate circumstances aggregate securities trades for a Client with similar trades for other Clients but are not required to do so. In particular, RVB Capital may determine not to aggregate transactions that relate to portfolio management decisions that are made independently for different accounts or if RVB Capital determines that aggregation is not practicable, not required, or inconsistent with Client direction. When transactions are aggregated and it is not possible, due to prevailing trading activity or otherwise, to receive the same price or execution on the entire volume of securities purchased or sold, the various prices may be averaged or allocated on another basis deemed to be fair and equitable. In addition, under certain circumstances, the Clients will not be charged the same commission or commission equivalent rates in connection with a bunched or aggregated order. The effect of the aggregation may therefore, on some occasions, either advantage or disadvantage any particular Client.

From time to time, aggregation may not be possible because a security is thinly traded or otherwise not able to be aggregated and allocated among all Client accounts seeking the investment opportunity or a Client may be limited in, or precluded from, participating in an aggregated trade as a result of that Client's specific brokerage arrangements. Also, an issuer in which Clients wish to invest may have threshold limitations or aggregate ownership interests arising from legal or regulatory requirements or company ownership restrictions, which may have the effect of limiting the potential size of the investment opportunity and thus the ability of the applicable Client to participate in the opportunity.

There may be instances when circumstances specific to individual Clients limit RVB Capital's ability to aggregate or allocate trades. For example, if a Client requests directed brokerage, RVB Capital may not be able to aggregate or allocate these trades. Additionally, as stated above, there may be times when there is limited supply or demand for a particular security or investment. In such instances, a Client may not be able to realize the efficiencies which might exist for larger transactions. In some cases, trade aggregation and/or allocation may adversely affect the price paid or received by an account or the size of the position

obtained or liquidated for an account, which could cause performance divergence from similar accounts. In other cases, an account's ability to participate in volume transactions may produce better executions and prices for the account. RVB Capital may adjust allocations to eliminate fractional shares or odd lots, or to account for minimum trade size requirements and has the discretion to deviate from its allocation procedures in certain circumstances.

**Conflicts Related to Valuation:** RVB Capital may have a role in determining asset values with respect to Client accounts and may be required to price an asset when a market price is unavailable or unreliable. This may give rise to a conflict of interest because RVB Capital may be paid an asset-based fee on certain Client accounts. In order to mitigate these conflicts, RVB Capital determines asset values in accordance with valuation procedures, which are set forth in RVB Capital's Compliance Manual. In addition, see *Item 12 – Brokerage Practices, Security Valuation* of this Brochure for more information about Valuation.

**Material Non-Public Information:** RVB Capital's Chief Compliance Officer or his designee maintains a list of restricted securities as to which RVB Capital may have access to material non-public information and in which Clients are not permitted to trade without prior approval from the Chief Compliance Officer or his designee. In the event that any employee of RVB Capital obtains such material non-public information, RVB Capital may be restricted in acquiring or disposing investments on behalf of Clients, which could impact the returns generated for Clients.

Notwithstanding the maintenance of restricted lists and other internal controls, it is possible that the internal controls relating to the management of material non-public information could fail and result in RVB Capital, or one of its investment professionals, buying or selling a security while potentially in possession of material non-public information. Inadvertent trading on material non-public information could have adverse effects on the reputation of RVB Capital, result in the imposition of regulatory or financial sanctions, and as a consequence, negatively impact RVB Capital's ability to perform investment management services on behalf of Clients.

In an effort to mitigate these risks, RVB Capital maintains a Code of Ethics, as described herein above, and provides training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under RVB Capital's policies and procedures.

**Investment Activity by RVB Capital and Affiliates:** From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of RVB Capital, its affiliates, and their personnel. RVB Capital will endeavor to resolve conflicts with respect to investment opportunities in a manner they deem equitable to the extent possible under the prevailing facts and circumstances. RVB Capital's affiliates may invest, on behalf of themselves, in securities and other instruments that would be appropriate for, are held by, or may fall within the investment guidelines of a Client. RVB Capital's affiliates may give advice or take action for their own accounts that may differ from, conflict with, or be adverse to, advice given to or action taken for Clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for, one or more Clients. Potential conflicts also arise due to the fact that RVB Capital's affiliates may have investments in some Clients but not in others, or may have different levels of investments in the various Clients, and that each of the Clients may pay different levels of fees.

**Conflicts Related to Relationships with Third Parties:** RVB Capital may work with institutional investment consultants and such consultants may also provide services to RVB Capital and its affiliates. Consultants may provide transaction advisory services to related parties and related parties may attend conferences sponsored by consultants. RVB Capital also may be hired to provide investment management or other services to an institutional investment consultant that works with a Client, which may create conflicts. RVB Capital may in-source or out-source to a third-party certain processes or functions, which may give rise to conflicts. There may be conflict when negotiating with third-party service providers if RVB Capital bear operational expenses of various Clients to the extent that a given fee structure would tend to place more expense on Clients for which RVB Capital have a greater entitlement to reimbursement or less expense on Clients for which RVB Capital have lesser (or no) entitlement to reimbursement. RVB Capital may provide information about a Client's portfolio positions to unrelated third parties to provide additional market analysis and research to RVB Capital and they may use such analysis to provide investment advice to other Clients. RVB Capital may purchase information (such as periodicals, conference participation, papers, surveys) from professional consultant firms, and such firms may have an incentive to give favorable evaluations of RVB Capital to their clients.

In selecting broker-dealers that provide research or other products or services that are paid with soft dollars, conflicts may arise between RVB Capital and a Client because RVB Capital may not produce or pay for these benefits but may use brokerage commissions generated by Client transactions. Soft dollar arrangements may also give RVB Capital an incentive to select a broker-dealer based on a factor other than RVB Capital's interest in receiving the most favorable execution. Conflicts of interest related to soft dollar relationships with brokerage firms may be particularly influential to the extent that RVB Capital uses soft dollars to pay expenses it might otherwise be required to pay itself. Furthermore, research or brokerage services obtained using soft dollars or that are bundled with trade execution, clearing, settlement or other services provided by a broker-dealer may be used in such a way that disproportionately benefits one Client over another (*e.g.*, economics of scale or price discounts). For example, research or brokerage services paid for through one Client's commission may not be used in managing that Client's account. Additionally, where a research product or brokerage service has a mixed-use, determining the appropriate allocation of the product or service may create conflicts. See *Item 12 – Brokerage Practices* of this Brochure for information regarding RVB Capital's use of soft dollars.

Conflicts may arise where RVB Capital has the responsibility and authority to vote proxies on behalf of its Clients. Please refer to *Item 17 – Voting Client Securities* of this Brochure for information regarding the policies and procedures governing RVB Capital's proxy voting activities.

RVB Capital may conduct business with institutions such as broker-dealers or investment banks that invest, or whose clients invest, in Funds advised by RVB Capital, or may provide other consideration to such institutions or recognized agents, and as a result RVB Capital may have a conflict of interest in placing its brokerage transactions.

**Approach to Other Potential Conflicts:** Various parts of this Brochure discuss potential conflicts of interest that arise from RVB Capital's asset management business model. RVB Capital discloses these conflicts due to the fiduciary relationship with its investment advisory Clients. As a fiduciary, RVB Capital owes its investment advisory Clients a duty of loyalty. This includes the duty to address, or at minimum disclose, conflicts of interest that may exist between different Clients; between RVB Capital and Clients;

or between its employees and its Clients. Where potential conflicts arise, RVB Capital will take steps to mitigate, or at least disclose, them. Conflicts that RVB Capital cannot avoid (or chose not to avoid) are mitigated through written policies that RVB Capital believes protect the interests of its Clients as a whole. In these cases – which include issues such as personal trading and Client entertainment – regulators have generally prescribed detailed rules or principles for investment firms to follow. By complying with these rules, using robust compliance practices, RVB Capital believes that it has handled these conflicts appropriately. These interactions are not static; RVB Capital’s business is continually evolving and changes in RVB Capital’s activities can lead to new potential conflicts. RVB Capital reviews its policies and procedures on an ongoing basis to evaluate their effectiveness and update them as appropriate.

## Item 12 Brokerage Practices

Generally, RVB Capital receives discretionary investment authority from its Clients at the outset of an advisory relationship. Depending on the terms of the applicable investment management agreement, RVB Capital's authority may include the ability to select broker-dealers through which to execute transactions on behalf of its Clients, and to negotiate the commission rates, if any, at which transactions are effected. RVB Capital may also have the authority to enter into International Swap and Derivatives Association ("ISDA"), repurchase clearing, trading brokerage, margin future, options, or other types of agreements on behalf of RVB Capital's Clients. In making decisions as to which securities are to be bought or sold and the amounts thereof, RVB Capital is guided by the mandate selected by the Client and any Client-imposed guidelines or restrictions. Unless RVB Capital and the Client have entered into a non-discretionary arrangement, RVB Capital generally is not required to provide notice to, consult with, or seek the consent of its Clients prior to engaging in transactions.

### **Brokerage Selection**

The overriding consideration in allocating Client orders for execution is the maximization of Client profits (or minimization of losses) through a combination of controlling transaction costs (including market impact) and seeking the most effective uses of a broker's capabilities. When RVB Capital has the authority to select broker-dealers to execute transactions for its Clients, it seeks to obtain the best execution reasonably available under the circumstances (which may or may not result in paying the lowest available brokerage commissions or spread). In so doing, RVB Capital considers all factors it deems relevant. Such factors may be either venue specific or transaction specific and may include, but are not limited to: (A) for venues: (i) execution capability including speed of execution, quality of communication links to RVB Capital, clearance and trade settlement history and capability and ratio of complete versus incomplete trades; (ii) ability to handle large trades in securities having limited liquidity without undue market impact and ability to provide liquidity (as principal, agent or otherwise); (iii) access to market liquidity and quotation sources; (iv) financial condition of the counterparty, including reputation and creditworthiness; (v) responsiveness and reliability in executing trades, keeping records and accounting for and correcting administrative errors; (vi) ability to maximize price improvement opportunities, including the ability to provide ad hoc information or services; and (vii) ability to comply with all regulatory requirements; and (B) for transactions: (i) price and overall cost of the transaction, including any related credit support; (ii) the size, type and timing of the transaction; (iii) existing and expected activity in the market for the security, including any trading patterns of the security and the particular marketplace; (iv) nature and character of the security or instrument and the markets on which it is purchased or sold; (v) value of research provided, if permitted under applicable law or regulation; (vi) fund or portfolio objectives or Client requirements (if permissible), as may be applicable; (vii) if applicable, Client-directed brokerage arrangements; and (viii) applicable execution venue factors.

RVB Capital does not consider broker-dealers or investment banks that invest, or whose clients invest, in Funds advised by RVB Capital, or provide other consideration to such institutions or recognized agents in determining whether to select such broker-dealers to execute Client portfolio transactions. RVB Capital may also enter into over-the-counter derivatives transactions generally on stocks, indices, interest rates, debt securities or currencies to seek to enhance the Client's portfolio return and attempt to limit downside risk. Counterparties to these derivatives transactions are selected based on a number of factors, including

credit rating, execution prices, execution capability with respect to complex derivative structures and other criteria relevant to a particular transaction.

RVB Capital's endeavor is to be aware of current charges assessed by relevant broker-dealers and to minimize the expense incurred for effecting portfolio transactions, to the extent consistent with the interests and policies of Client accounts. However, RVB Capital will not select broker-dealers solely on the basis of "posted" commission rates nor always seek in advance competitive bidding for the most favorable commission rate applicable to any particular transaction. Although RVB Capital generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent as transactions that involve specialized services on the part of a broker-dealer generally result in higher commission rates or equivalents than would be the case with more routine transactions. RVB Capital may pay higher commission rates to those brokers whose execution abilities, brokerage or research services or other legitimate and appropriate services are particularly helpful in seeking good investment results.

Unless inconsistent with RVB Capital's duty to seek best execution, RVB Capital may direct a broker to execute a trade and "step out" a portion of the commission in favor of another broker that provides brokerage or research related services to RVB Capital as described above. RVB Capital may also use step out transactions in fulfilling a Client-directed brokerage arrangement, to allow for an order to be aggregated, or for regulatory or other purposes. However, RVB Capital does not enter into agreements with, or make commitments to, any broker-dealer that would bind RVB Capital to compensate that broker-dealer, directly or indirectly, for Client referrals or sales efforts through placement of brokerage transactions; nor will RVB Capital use step out transactions or similar arrangements to compensate selling brokers for their sales efforts.

### **Soft-Dollars Arrangement**

In those circumstances where more than one broker-dealer is able to satisfy RVB Capital's obligation to obtain best execution, RVB Capital may place a trade order on behalf of Client accounts with a broker-dealer that charges more than the lowest available commission cost or price. RVB Capital may do this in exchange for certain brokerage and research services provided either directly from the broker-dealer or through a third party ("Soft Dollar Arrangements"), provided that each of the following is met:

- RVB Capital determines:
  - (i) The research or brokerage product or service constitutes an eligible brokerage or research service under Section 28(e)(3) of the Securities Exchange Act of 1934 (the "Exchange Act");
  - (ii) The research or brokerage product or service provides lawful and appropriate assistance in the performance of RVB Capital's investment decision making responsibilities; and
  - (iii) In good faith the amount of Client commissions paid is reasonable in light of the value of the products or services provided.
- The brokerage or research is "provided by" a broker-dealer who participates in effecting the trade that generates the commission. RVB Capital may not incur a direct obligation for research with a third-party vendor and then arrange to have a broker-dealer pay for that research in exchange for brokerage commissions.

- RVB Capital may only generate soft dollars with commissions in agency transactions. RVB Capital may not use dealer markups in principal transactions to generate soft dollars. In addition, a trade for a fixed income security or over-the-counter (“OTC”) security may be done on an agency basis only if the trader determines that it would not result in a broker-dealer unnecessarily being inserted between RVB Capital and the market for that security.
- No soft dollars are generated on accounts for which:
  - (i) Investment discretion resides with the Client (*i.e.*, non-discretionary accounts);
  - (ii) Client mandates restrict or prohibit the generation of soft dollar commissions;
  - (iii) The Client has a directed brokerage arrangement.
- The brokerage trade placed is for “securities” transactions (and not, for example, futures transactions).

The term “soft dollars” refers to the receipt by RVB Capital of products and services provided by brokers without any cash payment by RVB Capital, based on the volume of revenues generated from brokerage commissions for transactions executed for Clients’ accounts. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment). Brokerage and research services may either be obtained from brokerage firms or paid for by brokerage firms and may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; news, quotation, statistics and pricing services, as well as discussions with research personnel and consultants; and software, data bases and other technical and telecommunications services and equipment utilized in the investment management process and consulting fees in connection with investigating and monitoring potential and existing investments. Research services may be proprietary research (created or developed by the broker-dealer) and research created or developed by a third party. Research services, whether obtained by the use of commissions arising from a Client’s portfolio transactions or paid for by RVB Capital and charged to a Client as described above, may be used by RVB Capital for the benefit of other Clients. In formulating and implementing its policies with regards the use of commissions or “soft dollars” it is the RVB Capital intent to stay within the parameters of Section 28(e) of the Exchange Act. RVB Capital seeks to allocate soft dollar benefits among Client accounts in a fair and equitable manner under the circumstances.

Using “soft dollars” to obtain investment research and/or related services creates a potential conflict of interest between RVB Capital and its Clients’ accounts, because the “soft dollars” may be used to acquire such products and services that are not exclusively for the benefit of the Client accounts that paid such commissions and that may primarily benefit RVB Capital. To the extent that RVB Capital is able to acquire these products and services without expending RVB Capital resources (including management fees paid by Client accounts), RVB Capital’s use of “soft dollars” would tend to increase its profitability. Furthermore, RVB Capital may have an incentive to select or recommend brokers based on its interest in receiving research or other products or services, rather than on its Clients’ interest in receiving most favorable execution. RVB Capital may cause Clients to pay commissions (or markups or markdowns) higher than those charged by other brokers in return for soft dollar benefits. RVB Capital does not, however, negotiate higher rates on fees and expenses to be paid by Clients in exchange for lower rates on fees and expenses to be paid by RVB Capital.

Research services furnished by brokers through whom RVB Capital effects securities transactions may be used in servicing all of RVB Capital's Clients' accounts, and not all such services may be used in connection with the accounts which paid commissions to the broker providing such services. RVB Capital seeks to allocate soft dollar benefits among Client accounts in a fair and equitable manner under the circumstances, but there can be no assurance that we will be successful in this regard.

Section 28(e) of the Exchange Act, provides a safe harbor to advisers who use soft dollars generated by Client accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to RVB Capital in the performance of investment decision-making responsibilities. RVB Capital intends that any soft dollars that it receive in connection with Client-related matters would be within the limitations set forth in Section 28(e) of the Exchange Act. Examples of eligible services and products include independent stock research, economic research, research in specific industry sectors, real time feeds, newswires, strategic analysis, and back office systems.

### **Brokerage for Client Referrals**

RVB Capital does not consider, in selecting or recommending a broker-dealer, whether RVB Capital or a related person receives Client referrals from that broker-dealer.

### **Directed Brokerage**

RVB Capital does not routinely recommend, request or require that a Client direct RVB Capital to execute transactions through a specified broker-dealer. Clients may recommend RVB Capital uses their preferred broker-dealer(s). RVB Capital will use such broker-dealer(s) subject to its determination that said broker-dealer provides best execution of the Client transactions. In a situation where a Client directs RVB Capital to place trades with a particular broker-dealer, RVB Capital may not be free to seek the best price, volume discounts or best execution by placing transactions with other broker-dealers. Additionally, as a result of directing RVB Capital to place trades with a particular broker-dealer, a disparity in commission charges may exist between the commissions charged to Clients who direct RVB Capital to use a particular broker-dealer and those Clients who do not direct RVB Capital to use a particular broker-dealer as well as a disparity among the brokers to which different Clients have directed trades.

### **Order Aggregation**

Orders of Clients may be combined (or "bunched") when possible to obtain volume discounts resulting in a lower per share commission. Please see *Item 11 – Code of Ethics, Trade Aggregation* of this Brochure for more information regarding RVB Capital's trade aggregation procedures.

### **IPO/Limited Offering Allocations**

Clients may from time to time participate in an initial public offering (an "IPO"), or other types of limited offerings, if the portfolio manager managing the portfolio believes that the offering is an appropriate investment based on the portfolio's investment restrictions, risk profile, asset composition and/or cash levels. Clients must be eligible to receive allocations of IPOs pursuant to relevant FINRA regulations. In the event that RVB Capital reasonably determines that a Client is not eligible to receive IPO allocations pursuant to these regulations or does not have reasonable assurances that the Client is eligible to receive allocations, RVB Capital may prohibit the Client's account from receiving any allocations of an available



offering. RVB Capital's IPO/limited offering allocation procedures generally require all shares to be allocated on a *pro-rata* basis to all participating eligible accounts based on the total assets of each account. In certain circumstances, RVB Capital may deviate from a *pro-rata* allocation to account for allocation sizes that are deemed by investment personnel to be *de minimis* for certain eligible accounts or to address situations specific to individual accounts (e.g., cash limitations, position weightings, etc.). RVB Capital cannot assure, in all instances, participation in IPOs or limited offerings by all eligible accounts. In the event an eligible account does not participate in an offering, RVB Capital does not reimburse for opportunity costs. See *Item 11 – Code of Ethics, Allocation of Investment Opportunities* of this Brochure for more information regarding potential conflicts of interest.

### **Cross Trades**

In its discretion, RVB Capital may, but is not required to, engage in “cross trades”, whereby RVB Capital causes one of its Clients to sell a security and another of its Clients to purchase the same security at or about the same time, provided such transaction is in the best interests of both Client accounts and is consistent with RVB Capital's best execution obligations. Cross trades may be used in an effort to obtain best execution because cross trades can potentially reduce transaction costs and increase execution efficiency. Cross trades present potential conflicts of interest. For example, there is a risk that the price of a security bought or sold in a cross trade may not be as favorable as it might have been had the trade been executed in the open market. Additionally, there is a potential conflict of interest when a cross trade involves a Client account on one side of the transaction and an account in which RVB Capital has substantial ownership or a controlling interest (such as a newly-formed sponsored Fund) or an account in which RVB Capital receives a higher Management Fee on the other side of the transaction.

To address these potential conflicts, RVB Capital maintains policies and procedures, which require that all cross trades are made at an independent current market price and are consistent with Section 206 of the Advisers Act. In addition, if one of the parties to the cross trade is a registered investment company, the transaction must comply with procedures adopted under Rule 17a-7 under the 1940 Act. RVB Capital does not permit cross trades with accounts subject to ERISA. While RVB Capital generally does not execute cross trades among the Mutual Funds and other Client accounts, RVB Capital may execute cross trades among separate accounts and/or other accounts managed by RVB Capital. See *Item 11 – Code of Ethics, Cross Trades* of this Brochure for more information regarding potential conflicts of interest.

### **Security Valuation**

Equity securities are generally valued on the basis of market quotations. Fixed-income securities are generally valued in accordance with an evaluated bid price supplied by a pricing service. The evaluated bid price supplied by the pricing service is an evaluation that reflects such factors as security prices, yields, maturities, and ratings. Certain short-term instruments maturing within 60 days or less are valued at amortized cost, which approximates market value. If a market quotation or evaluated price is not readily available or is deemed unreliable, or if an event that is expected to affect the value of a portfolio security occurs after the close of the principal exchange or market on which that security is traded, and before the close of the New York Stock Exchange, the fair value of a security will be determined in good faith under policies and procedures established by RVB Capital. Although RVB Capital is not generally the pricing agent for its Clients, RVB Capital, in certain cases and upon request, may provide a fair value price to a Client's pricing agent, solely for informational purposes, for a security in cases where market quotations or

evaluated prices are not readily available or deemed unreliable due to significant events or other factors. In these instances, the Client's pricing agent makes the ultimate determination of the security's value. Because RVB Capital may be compensated based on the value of assets held in an account or based on the performance of the account, RVB Capital may have a potential incentive to set a high valuation for a security; however, RVB Capital does not intend to use valuations that are higher than fair value. RVB Capital believes that this potential conflict may be mitigated by its valuation policy and procedures.

There may be differences in prices for the same security held by RVB Capital's Clients because its provided price (for the situations described above) may not be accepted by the relevant pricing agent. In addition, certain Clients may utilize a third-party valuation model to value equity securities of non-U.S. issuers to adjust for stale pricing which may occur between the close of the non-U.S. exchanges and the New York Stock Exchange. These pricing models may not be used by the relevant pricing agent. Benchmark indexes generally do not use fair value pricing and use national and regional indices to value securities using unadjusted closing prices in local markets. In addition, the value of assets denominated in non- U.S. currencies is converted into U.S. dollars using exchange rates deemed appropriate by RVB Capital, which may also vary from the exchange rates used for calculation on any given index.

### **Trade Rotation**

To address the conflicts of interest and trading matters, RVB Capital maintains brokerage and trading policies, including policies and procedures for best execution discussed above and trade rotation. RVB Capital believes its policies and procedures are consistent with its duties as a fiduciary to treat its Clients fairly in a manner that does not systematically favor one Client (or group of Clients) over another Client (or group of Clients).

Depending on the market capitalization, or market availability, of certain securities, trade orders may take multiple days to complete and may be executed as part of a rotation. If RVB Capital determines that there is not sufficient liquidity in the market to support an entire trade or order, RVB Capital will take steps to manage the liquidity profile of the order and minimize its impact on the market. In limited circumstances, this may include rotating trades between its Clients. To the extent RVB Capital deems a trade highly illiquid, RVB Capital may split the trade into smaller orders and then rotate in the same manner as trades for illiquid securities would be rotated. Rotating trades may result in a longer delay in executing trades and/or a materially better or worse price for Clients that are traded in later rotations.

Conflicts of interest can arise between RVB Capital best execution policies and procedures and trading instructions that RVB Capital may receive from Client agreements. In those cases, RVB Capital will act in a manner that it believes is consistent with the best interests of its Clients and its best execution policies and procedures.

### **ADRs**

In certain circumstances, RVB Capital may invest Client assets in ADRs. When doing so, depending upon the existence and/or liquidity of the ADR and other factors, these trades may be executed in the U.S. or in a non-U.S. market. When trades are executed in non-U.S. markets, non-U.S. securities will be acquired and broker-dealers or other securities intermediaries will convert these non-U.S. securities into U.S. ADRs (denominated in U.S. dollars). Broker-dealers or other securities intermediaries may charge commissions,

conversion and/or other fees for converting the securities into ADRs, all of which will be included (*i.e.* netted) into the price of the securities. These conversion fees may be negotiable, may vary, and typically are paid by the Clients.

Additionally, RVB Capital may convert a non-U.S. security to an ADR that would be considered highly illiquid when traded in the U.S. This may make it difficult to liquidate a position when Clients close an account, transfer the assets to another firm, request a withdrawal or other transaction that requires the security be traded domestically versus in the foreign security market. The liquidity, or lack thereof, of the converted ADRs in the U.S. market could result in a transaction price that differs substantially from the transaction price that could be obtained if that same security was transacted in the non-U.S. market.

### **Company Errors**

Trade errors may occur either in the investment decision-making process (*e.g.*, a purchase of a security or an amount of security that violates a Client's investment restrictions) or in the trading process (*e.g.*, a buy order executed as a sell, the purchase or sale of a security other than what was intended, or trading an incorrect quantity of securities). Internal or clerical mistakes that affect the investment or trading process and have a financial impact to a Client will also be treated as trade errors.

A "trade error" will generally be defined as a transaction that is executed in a manner that was not intentional and results in a corrective action being taken. Any mistakes that do not affect the investment decision-making or trading process or cause a violation of a Client's investment policies or restrictions, and do not cause gain or loss to the Client, will not be treated as trade errors.

RVB Capital's traders will be responsible for notifying the Chief Compliance Officer promptly of the circumstances of any trade error. Traders will discuss any action taken to correct a trade error (*e.g.*, selling a security in the open market) and/or any other corrective action with the Chief Compliance Officer prior to its implementation as to whether such action is appropriate.

If a third party creates the error, RVB Capital will look to the third party to take corrective action. Broker-dealers may be held responsible for a portion of any loss resulting from a trade error if actions of such broker-dealer contributed to the error or the loss. RVB Capital will require broker-dealers to assist in rectifying a trade error on favorable terms if their actions or inactions contributed to the error or the resulting loss. A broker may absorb the loss from a trade error caused by the broker. RVB Capital will not direct brokerage commissions to brokers, or to enter into other reciprocal arrangements with brokers, in order to induce a broker to absorb a loss from a trading error caused by RVB Capital. No soft-dollars may be used to satisfy any trade errors. In addition, RVB Capital may not use the securities in one Client's account to settle the trade error in another Client's account.

## **Item 13 Review of Accounts**

Mr. Rishi K. Bhatia, as Portfolio Manager, has the responsibility to exercise and maintain prudent supervision and control of the Client's portfolio of investments. As stated in Item 8 of this Brochure, Mr. Bhatia is responsible for overseeing the investment process from the origination of each investment transaction, through asset management and ultimately the realization of the investment. As Portfolio Manager, Mr. Bhatia periodically reviews and ensures the investment policies, guidelines, and objectives of the Client's general investment strategy are achieved and attained per the Client's governing documents. Mr. Bhatia maintains prudence and effectiveness of each portfolio investment of the Client and formulates and oversees the investment process and management of the Client's assets, and periodically reviews investment strategies and investment performance. In carrying out his duties, Mr. Bhatia performs intra-day, daily, weekly and monthly reviews of the Clients' portfolios regarding performance, risk, volatility and other statistical analysis. In monitoring a Client's portfolio of investments, Mr. Bhatia ensures (i) the management of investments and capital actions are consistent and comply with attainment of the Client's investment policy, objectives and strategy goals, and (ii) the Client's portfolio is in compliance with legal and regulatory requirements.

### **Nature and Frequency of Reporting**

The frequency and nature of reports prepared for Clients varies depending on each Client's requirements and interests. Clients generally receive monthly or quarterly written reports showing portfolio activities and performance on a current and year-to-date basis. RVB Capital may furnish certain account transaction and portfolio holdings to Clients and their service providers on a more frequent basis. Depending on the type of account, RVB Capital may also provide oral and/ or written presentations about the account's performance on a periodic basis. RVB Capital will also provide Clients, upon request, other information regarding their portfolio within the parameters of its compliance policies. Face-to-face meetings or teleconferences are held at least annually with each Client. Clients may request a meeting with RVB Capital at any time.

With respect to each Client, their qualified custodian generally provides, on at least a quarterly basis, an account statement identifying the amount of the funds and securities in the Clients' account(s) and any transactions in the Clients' account(s) during the applicable calendar quarter.

**Clients are urged to compare any account statements that they receive from RVB Capital with the account statements that it receives from its qualified custodians.**

## Item 14 Client Referrals and Other Compensation

RVB Capital does not receive any economic benefits, including sales awards or prizes, from non-clients for providing investment advice and other advisory services.

Currently, RVB Capital does not directly or indirectly compensate any third-party for advisory client referrals (each a “Solicitor”). In the event RVB Capital desires to engage a third-party Solicitor in the future to solicit prospective advisory clients, such third-party client solicitation arrangements will be made in compliance with Rule 206(4)-3 of the Advisers Act (the “Cash Solicitation Rule”), which requires that, among other things, compensation to a Solicitor be made pursuant to a written agreement and, for third-party Solicitor arrangements, that the Solicitor provide to each person solicited for RVB Capital’s advisory services, a written disclosure statement (the “Solicitor’s Disclosure Statement”) and current copy this Brochure.

Currently, RVB Capital does not directly or indirectly compensate any third-party for referring investors into the Clients (*i.e.*, the Funds) (each a “Placement Agent”). In the event RVB Capital desires to engage a third-party Placement Agent in the future to refer prospective investors into the Clients, such arrangements will be fully disclosed to affected investors and will generally be consistent with the requirements of the Cash Solicitation Rule under the Advisers Act, which only applies to the solicitation of Clients and not investors. Generally, the terms of such arrangements will vary but may call for RVB Capital to pay the Placement Agent a fee equal to a percentage of capital contributions, Management Fees, incentive fees, incentive allocations, or a combination of such contributions or fees borne by each investor introduced to a Client by the Placement Agent.

## Item 15 Custody

With respect to its current advisory Clients, RVB Capital does not have custody of its Client's funds or securities, as defined under Rule 206(4)-2 of the Advisers Act (the "Custody Rule"). To the extent required by law, all Client securities and cash are held by qualified custodians. Custodians provide account statements directly to the Clients on at least a quarterly basis.

Clients will receive account statements from their broker-dealer, bank, or qualified custodian and should carefully review those statements. Clients should carefully review those statements and, to the extent RVB Capital also delivers statements to such Clients, compare RVB Capital's statements to the statements of the qualified custodian. For tax and other purposes, the custodial statement is the official record of a Client's account and assets. Statements received from RVB Capital may vary from the custodial statements based on accounting procedures, reporting dates or valuation methodologies for certain securities. See *Item 13 – Review of Accounts* of this Brochure for more information about RVB Capital's account statements.

## **Item 16 Investment Discretion**

RVB Capital has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each Client, including the selection of, and commissions paid to, broker-dealers. This discretionary authority is subject to terms set forth in the applicable Management Agreement with each respective Client. Additionally, RVB Capital's discretionary authority is subject the investment objectives, policies and restrictions as set forth in the governing documents of each respective Client. For RVB Capital to assume such discretionary authority, each respective Client must enter into a Management Agreement prior to the establishment of an advisory relationship granting such authority.

## **Item 17 Voting Client Securities**

Unless the Client instructs otherwise in writing, RVB Capital is granted the power and authority as Client's proxy and attorney-in-fact to vote, tender, or non-tender, or direct the voting, tendering, or non-tendering of securities held in the Clients' accounts and take actions on behalf of Client with respect to such securities.

Due to the very high level of diversification of RVB Capital's investment strategies, RVB Capital generally will not hold significant voting power with respect to any particular issuer. In addition, given the high turnover of RVB Capital's investment strategies, it is unlikely that securities held on a particular record date on behalf of a certain Fund would still be held by that Fund on the date of the vote or when the effects of the matters voted upon would be realized, which significantly reduces the relevance to the Fund of the proxies that RVB Capital might vote. As a result of the foregoing RVB Capital has determined that the costs associated with voting proxies outweigh the potential benefits, if any, that would accrue to the Funds from proxy voting. Therefore, it is RVB Capital's policy not to vote proxies on behalf of the Funds.

Notwithstanding the foregoing, RVB Capital may vote proxies with the approval of the Chief Compliance Officer, if such voting would be in the best interest of the Funds.

Please let RVB Capital's Chief Compliance Officer know if you have any questions about these procedures or if you would like detailed information of how any proxies were actually voted. The Chief Compliance Officer can be contacted at [rishi.bhatia@rvbcap.com](mailto:rishi.bhatia@rvbcap.com) or (212) 453-1037.



## **Item 18 Financial Information**

RVB Capital does not solicit prepayment of more than \$1,200 in fees per Client six months or more in advance, and thus has not provided a balance sheet according to the specifications of 17 CFR Parts 275 and 279. There is no financial condition that is reasonably likely to occur that would impair RVB Capital's ability to meet contractual commitments to Clients. RVB Capital has not been the subject of a bankruptcy petition during the past ten years.