



## FORM ADV PART 2A BROCHURE

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Provenio Capital Management LLC

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This brochure provides information about the qualifications and business practices of **Provenio Capital Management LLC** ("Provenio Capital"). If you have any questions about the contents of this brochure, please contact us at 949-301-9060 or [reshma@proveniocal.com](mailto:reshma@proveniocal.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Any reference to or use of the terms "registered investment adviser" or "registered," does not imply that Provenio Capital or any person associated with Provenio Capital has achieved a certain level of skill or training.

Additional information about Provenio Capital is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2 - MATERIAL CHANGES

There have been no material changes to this brochure since the last update in March 2024.

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## ITEM 4 - ADVISORY BUSINESS

### DESCRIPTION OF ADVISORY FIRM

Provenio Capital Management LLC (“Provenio Capital” or “we” or “our”) is a privately owned limited liability corporation headquartered in Newport Beach, California. Provenio Capital is registered as an investment adviser with the U.S. Securities and Exchange Commission.

Provenio Capital was founded in 2016 and is a wholly owned subsidiary of Provenio Capital LLC, of which Benjamin Durrant and Kevin Murphy are the principal owners.

### ADVISORY SERVICES OFFERED

Provenio Capital offers the following services to advisory clients:

#### **Investment Management Services**

##### *Separate Accounts and Separately Managed Accounts (“SMA”)*

Provenio Capital provides investment supervisory services to clients which primarily seek to identify investment managers that have a track record of employing disciplined investment strategies to extract returns from the equity, real estate, credit, FX, rates, and/or commodity markets. Provenio Capital’s investment management services include identifying, evaluating, screening, monitoring, and conducting due diligence of third-party investment managers through whom we recommend our clients invest.

Provenio Capital also occasionally offers advice regarding additional types of investments if they are appropriate to address the individual needs, goals, and objectives of the client or in response to client inquiry. In addition, Provenio Capital offers investment advice on any investment held by the client at the start of the advisory relationship. We describe the material investment risks for the primary investments that we utilize under the heading ***Specific Security Risks*** in ***Item 8*** below.

Provenio Capital also offers the investment services described above to eligible insurance policy holders via Separately Managed Accounts (“SMA”).

We discuss our discretionary authority below under ***Item 16 - Investment Discretion***. For more information about the restrictions clients can put on their accounts, see ***Tailored Services and Client Imposed Restrictions*** in this item below. We describe the fees charged for investment management services below under ***Item 5 - Fees and Compensation***.

##### *Insurance Dedicated Fund*

Provenio Capital is the investment subadviser to an eligible insurance dedicated fund (the “IDF Fund”), which invests in marketable and private securities. Provenio Capital has limited discretion over the investments within the IDF Fund which is administered by an unaffiliated third party.

### *Special Purpose Vehicles*

Provenio Capital provides discretionary investment management services to private investments vehicles typically structured as special purpose vehicles ("SPVs") for certain investments which will generally pursue higher risk private equity and venture capital investments than the separate accounts. The SPVs are administered and custodied by an unaffiliated third party.

### *Overall Asset Allocation Assessment*

As an investment management services client, Provenio Capital collects information about the client's financial situation and needs, which will include, some if not all, of the following: net worth, income, expenses, taxes, investments, retirement plans, life insurance, disability insurance, health insurance, long term care insurance, business agreements, divorce papers, pre-nuptial agreements, estate documents, and any other documents that pertain to their overall financial picture. In addition, Provenio Capital asks the client about their future goals and objectives. Provenio Capital then assesses the clients' overall risk tolerance and asset allocation and makes specific recommendations in all applicable areas.

### **Other Consulting Services**

Provenio Capital offers other consulting services as requested by the client. The scope of the services will be determined by agreement with the client. Areas of focus might include:

1. Preparing for or living in retirement
2. Investment strategies
3. General Asset Allocation Advice
4. Income tax planning
5. Insurance: life, disability, medical, long-term care insurance
6. Family savings and cash flow planning
7. Education planning and funding
8. Charitable gifting
9. Debt management
10. Employee benefit usage
11. Other financial advisory services, as determined between Provenio Capital and the client

Provenio's consulting services do not include preparation of any kind of income tax, gift, or estate tax returns nor preparation of any legal documents, including wills or trusts.

## **TAILORED SERVICES AND CLIENT IMPOSED RESTRICTIONS**

Provenio Capital manages assets for each client based on the client's individual circumstances and financial situation. We make investment decisions for clients based on information the client supplies about their financial situation, goals, and risk tolerance. Our investment decisions may not be suitable if the client does not provide accurate and complete information. It is the client's responsibility to keep Provenio Capital informed of any changes to their investment objectives or restrictions.

From time to time, clients also request other restrictions on their account(s), such as when a client needs to keep a minimum level of cash in the account or does not want Provenio Capital to buy or sell certain specific securities or

security types in the account(s). Provenio Capital reserves the right to not accept and/or terminate management of a client's account if we believe that the client-imposed restrictions would limit or prevent Provenio Capital from meeting or maintaining the client's investment strategy.

## WRAP FEE PROGRAMS

Provenio Capital does not manage accounts as part of a wrap or bundled fee program.

## ASSETS UNDER MANAGEMENT

Provenio Capital manages client assets on either a discretionary or non-discretionary basis. As of 12/31/2022, the total amount of assets under our management was:

Discretionary Assets	\$ 166,714,565
<u>Non-Discretionary Assets</u>	<u>\$ 1,451,809,499</u>
Total Assets	\$ 1,618,524,064

## ITEM 5 - FEES AND COMPENSATION

### FEE SCHEDULE

#### Investment Management Services

##### *Separate Accounts*

Provenio Capital charges tiered advisory fees for investment management services based on a percentage of the assets under management. Provenio Capital's advisory fees are charged at a blended rate as the client's assets reach each tier, per the following schedule:

	<u>Assets Under Management</u>		<u>Annual Fee Rate</u>
Tier 1	\$0	\$15,000,000	1.00%
Tier 2	\$15,000,000	\$25,000,000	0.85%
Tier 3	\$25,000,000	\$35,000,000	0.65%
Tier 4	\$35,000,000	\$45,000,000	0.45%
Tier 5	\$45,000,000	\$80,000,000	0.35%
Tier 6	\$80,000,000	\$130,000,000	0.25%
Tier 7	\$130,000,001+		0.20%

Minimum Annual Fee: \$20,000

Our standard fee schedule is negotiable based on several factors, which include but are not limited to "grandfathered" accounts, related accounts, and other structures that we consider in special situations. Provenio Capital manages some accounts without charge at their discretion.

### *SMA*s

The fees charged to SMA clients are outlined in the agreement between Provenio and the insurance carrier.

Provenio Capital receives a percentage of assets invested in the SMA. The invested assets are valued as per the SMA governing documents provided by the insurance carrier. Provenio Capital receives fee payments on a quarterly basis in arrears based on the aggregate AUM invested in the SMA. The insurance carrier calculates and facilitates all fee payments to Provenio Capital.

### *IDF Fund*

The fees charged to the IDF Fund are outlined in the IDF Fund's offering documents. Provenio Capital receives a percentage of assets invested in the IDF Fund. The invested assets are valued monthly based on holdings held within the IDF Fund. Provenio Capital receives fee payments on a quarterly basis in arrears based on the aggregate AUM invested in the IDF Fund.

### *SPVs*

Fees assessed for each SPV will be based on performance rather than assets under management. Please refer to the governing documents, subscription agreements and any investment management agreement between Provenio Capital and each SPV for the specific fee and compensation arrangement.

All organizational and operating expenses of the SPV will be paid by the SPV, excluding any regulatory expenses, or other costs incurred by the general partner in connection with its daily operations, including but not limited to salary and other payments to employees or officers of the general partner).

In addition, each SPV will pay, or reimburse the general partner or its affiliates for, or will be responsible for operating costs and expenses incurred by it or on its behalf, including (i) out-of-pocket expenses that are associated with disposing portfolio company securities, including transactions not completed; (ii) extraordinary expenses, if any (such as certain valuation expenses, litigation and indemnification payments); (iii) interest on borrowed money, investment banking, financing and brokerage fees and expenses, if any; (iv) expenses associated with the SPV's tax returns and Schedules K-1, custodial, legal and insurance expense, any taxes, fees or other governmental charges levied against the SPV; (v) attorneys' and accountants' fees and disbursements on behalf of the SPV; (vi) insurance, regulatory or litigation expenses (and damages); (vii) expenses incurred in connection with the winding up or liquidation of the SPV (other than liquidation expenses permissible under the governing documents); (viii) expenses incurred in connection with the winding up or liquidation of the SPV (other than liquidation expenses permissible in the governing documents); (ix) expenses incurred in connection with any amendments to the constituent documents of the SPV and related entities, including the general partner; and (x) expenses incurred in connection with the distributions to the investors in the SPV and in connection with any meetings called by the general partner.

### *Other Consulting Services*

Provenio Capital offers other consulting services for a mutually agreed upon flat fee, although fees may range between \$5,000 and \$100,000 depending on the scope of services performed.

## BILLING METHOD

### Investment Management Services

Provenio Capital's advisory fees are payable quarterly in arrears. Provenio Capital excludes cash positions from the billable value of the account. Billable values are based on the average daily market value of the account during the quarter, where available. If daily pricing is not available, billable values will be based on the most frequently available pricing data, which may be monthly (average of the account's value on the last day of each month in the calendar quarter), quarterly (quarter end value), or annually (most recent reported value). Billable values are determined by the client's custodian. In the event a security is not priced by the client's custodian or Provenio Capital believes that the custodian's price does not adequately represent investment value, we will obtain a price from the issuer of the security or other independent third-party. For new client accounts, the first payment is a pro-rata calculation that takes into consideration the number of days remaining in the quarter and the initial value of the portfolio.

It is up to the client whether they wish to have the advisory fees withdrawn directly from their custodian account if applicable or pay by check or wire. With client authorization, Provenio Capital will automatically withdraw Provenio Capital's advisory fee on a quarterly basis from the client's account held by an independent custodian. Clients will receive brokerage statements from the custodian no less frequently than quarterly. The custodian statement will show the deduction of the advisory fee for those clients who authorize the advisory fees to be withdrawn directly from their custodian account. Provenio Capital will send an invoice to any clients who choose not to have advisory fees withdrawn directly from their custodian account. The invoice is payable upon receipt and will include the fee calculation and amount due.

### SMAs

Provenio Capital advisory fees are payable quarterly in arrears based on assets under management. The administrator of the SMA calculates the fees on a monthly basis and deducts the fees from the SMA on a quarterly basis.

### IDF Fund

Provenio Capital advisory fees are payable quarterly in arrears based on assets under management. The IDF Fund administrator calculates the fees on a monthly basis and deducts the fees from the IDF Fund on a quarterly basis.

### SPVs

The SPV administrator will distribute the agreed upon performance-based fee on any investment gains to Provenio Capital upon a successful exit in accordance with the governing documents.

### Other Consulting Services

Provenio Capital offers other consulting services at the request of the client. Generally, Provenio Capital charges an annual fee which is paid quarterly in equal increments. Provenio Capital may negotiate alternative billing terms by agreement with the client.



## OTHER FEES AND EXPENSES

Provenio Capital's fees do not include custodian fees or the fees charged by third party managers selected for its Separate Accounts or Separately Managed Accounts ("SMA") as described above. Clients should carefully review the third-party manager's Form ADV 2 brochure regarding their advisory fees, which some can be as high as 2.5% annually, as well as other fees charged by the managers, and applicable billing methods. Clients pay all brokerage commissions, stock transfer fees, margin charges, foreign exchange, and settlement fees, and/or other charges incurred in connection with transactions in accounts, from the assets in the account. These charges are in addition to the fees the client pays to Provenio Capital.

In addition, certain mutual fund shares held in a client's account are subject to 12b-1 fees, early redemption fees, and/or other fund-related expenses. The fund's prospectus fully describes the fees and expenses. All fees paid to Provenio Capital for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds. Mutual funds pay advisory fees to their managers, which are indirectly charged to all holders of the mutual fund shares. Consequently, clients with mutual funds in their portfolios are effectively paying both Provenio Capital and the mutual fund manager for the management of their assets.

## TERMINATION

Either party may terminate the advisory agreement with 30 days' notice by providing written notice to the other party. However, exception may be given at Provenio Capital's discretion.

Upon termination of the agreement, any earned, unpaid advisory fees will be due and payable. The client will receive an invoice showing the advisory fees due for services rendered and not yet paid.

Terminations will not affect liabilities or obligations from transactions initiated in client accounts prior to termination. In the event the client terminates the investment advisory agreement, Provenio Capital will not liquidate any securities in the account unless instructed by the client to do so. In the event of client's death or disability, Provenio Capital will continue management of the account until we are notified of client's death or disability and given alternative instructions by an authorized party. Our ongoing management and/or ability to effect transactions in a client's account(s) are limited by restrictions placed on accounts by the client's broker/custodian.

## OTHER COMPENSATION

Provenio Capital does not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. At times, the issuer of a security offers an incentive to Provenio Capital for recommending the issuer's fund to our clients. Provenio Capital will always seek to negotiate any incentives so that they directly benefit our clients, such as through improved investment terms or a rebate back to the applicable clients.

## ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Provenio Capital is entitled to earn performance-based compensation related to the recommendation of private investments. From time to time, Provenio Capital and a client agree that, in lieu of an asset-based management fee, Provenio Capital will receive a percentage of the capital gains earned by the client from a recommended investment.

Provenio Capital will be entitled to earn performance-based fees in lieu of asset-based management fees as it relates to each SPV. The fee range is expected to be between 5% with no hurdle and 20% with a hurdle. Each fee will be described in the governing document.

Performance-based compensation creates an incentive for the Firm to recommend investments that are riskier or more speculative than would be the case made under a different fee arrangement. The performance-based compensation is charged in compliance with Rule 205-3 of the Investment Advisers Act of 1940, as amended (the "Advisers Act.")

## ITEM 7 - TYPES OF CLIENTS

Provenio Capital provides advisory services to individuals, high net worth individuals, trusts and estates, foundations, individual participants of retirement plans, pension and profit-sharing plans, businesses, insurance companies and the SPVs.

## ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### INVESTMENT STRATEGIES

Provenio Capital works with each client to develop an investment strategy designed for their financial goals. Our discussions with the client consider the client's investment objectives, time horizon, risk tolerance, tax considerations, and any special considerations and/or restrictions the client places on the management of the account. Provenio Capital will then recommend investments that we feel are consistent with the client's objectives. Since Provenio Capital treats each client account uniquely, client portfolios with similar investment objectives and asset allocation goals may own different securities. Timing, tax factors and fund structure also influence Provenio Capital's investment decisions.

### MANAGER SELECTION

Provenio Capital sources potential new managers using its network of relationships, industry reports, conferences, and third-party marketers. As a starting point we research the investment sector and strategy, then assess the manager via a number of avenues which include but are not limited to investment team background, investment process, risk management, operational infrastructure, compliance policies and procedures, personal and professional references. Provenio Capital looks for managers that employ disciplined investment strategies to extract returns from the equity, real estate, credit, FX, rates, and/or commodity markets. When we decide we want a manager to be added to our platform, they must be approved internally by the Investment Committee. After we have invested with a manager, we begin the process of ongoing monitoring and manager communication.

Risks associated with managers can include but are not limited to:

- Style drift: The manager deviates from the strategy or approach for which they were hired. For example, a long/short equity manager starts trading credit in their portfolio.
- One of the investment partners leaves the firm: A change in the primary investment decision makers can adversely affect the implementation of the strategy.
- Operational Issue: Timely reporting, lack of communication, inaccuracies in reporting documents/periodicals, change to third party service providers that we do not know.
- Investor Concentration: If a fund receives redemptions, their business may be exposed to investor concentration risk that leads to inherent business risk.
- Violation of Risk Limitations: The manager breaches risk limitations stated during our due diligence process and for which the manager was hired.
- Significant Organizational Changes: Changes in ownership, incentives, legal or regulatory issues, high employee turnover.

#### Third Party Manager Strategies and Risks

The third-party managers Provenio Capital recommends utilizing their own investment process and methods of analysis. The strategies and securities these managers invest in may have different or additional risks than those described in this brochure. Clients can find more information about the strategies and related risks of the third-party managers in **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss** in each manager's Form ADV 2 brochure.

## INVESTING INVOLVES RISK

Investing in securities always involves the risk that you will lose money. Before investing in the securities markets, clients should be prepared to bear that risk. Over time, a client's account value will fluctuate. At any time, your assets may be worth more or less than the amount you invested.

Provenio Capital recommends investments that we believe are appropriate for the client, based on our understanding of the client's risk tolerance and investment objectives. We have generally summarized below what we feel are relevant risks broadly relating to the types of securities we primarily recommend for client accounts; however, securities may be subject to additional risks that are specific to that security or issuer, and we cannot and do not attempt to cover all risks that clients may be exposed to within their portfolios. Clients are strongly encouraged to review the prospectus disclosures and offering documents, where available, relating to the securities held in their portfolios if they have any questions, as these documents discuss in more detail the risks relating to the particular product. These documents are provided to the client by the issuer or the client's custodian/broker.

## SPECIFIC SECURITY RISKS

### General Risks of Owning Securities

The prices of securities held in client accounts and the income they generate can decline in response to certain events taking place around the world. These include events directly involving the issuers of securities held as underlying assets of mutual funds in a client's account, conditions affecting the general economy, and overall market changes. Other contributing factors include local, regional, or global political, social, or economic instability and governmental or governmental agency responses to economic conditions. Finally, currency, interest rate, and commodity price fluctuations can also affect security prices and income.

### Mutual Funds (Open-end Investment Company)

A mutual fund is a company that pools money from many investors and invests the money in stocks, bonds, short-term money-market instruments, other securities or assets, or some combination of these investments. The portfolio of the fund consists of the combined holdings it owns. Each share represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. The price that investors pay for mutual fund shares is the fund's per share net asset value (NAV) plus any shareholder fees that the fund imposes at the time of purchase.

The benefits of investing through mutual funds include professional management, diversification, affordability, and liquidity. Mutual funds also have features that some investors might view as disadvantages:

#### Costs Despite Potential for Negative Returns

Mutual funds pay operating and other expenses from fund assets regardless of how the fund performs, which are indirectly charged to all holders of the mutual fund shares. Depending on the timing of their investment, investors may also have to pay taxes on any capital gains distribution they receive. This includes instances where the fund went on to perform poorly after purchasing shares.

#### Lack of Control

Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.

#### Price Uncertainty

With an individual stock, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling a broker or investment adviser. Investors can also monitor how a stock's price changes from hour to hour—or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's NAV, which the fund might not calculate until many hours after the investor placed the order. In general, mutual funds must calculate their NAV at least once every business day, typically after the major U.S. exchanges close.

### Alternative Investment Funds

Alternative investments fall outside the three traditional asset types (stocks, bonds, and cash), and include hedge funds, managed futures, real estate, commodities, and derivatives contracts. Alternative investment funds generally seek to provide returns with a low correlation to returns of standard asset classes. Each fund is subject to specific and often enhanced risks, depending on the nature of the fund. Clients should carefully review the prospectus

disclosures and offering documents of these products, which contain important information about the specific risks of the product.

An alternative investment fund is an investment vehicle that pools capital from a number of investors and invests in securities and other instruments. In many cases, an alternative investment fund is an investment vehicle that is typically not registered under federal or state securities laws. So that alternative investment funds do not have to register under these laws, issuers make the funds available only to certain sophisticated or accredited investors and cannot be offered or sold to the general public. Many but not all alternative investment funds use leverage as part of their investment strategies. Some alternative investment funds management fees typically include a base management fee along with a performance component. In many cases, the fund's managers may become "partners" with their clients by making personal investments of their own assets in the fund. Many alternative investment funds offer their securities by providing an offering memorandum or private placement memorandum. The offering memorandum covers important information for investors and investors should review this document carefully and should consider conducting additional due diligence before investing in the alternative investment fund. Risks of alternative investment funds include the following:

1. Alternative investment funds do not sell publicly and are therefore illiquid. An investor may not be able to exit an alternative investment fund or sell its interests in the fund before the fund closes
2. Alternative investment funds are subject to various other risks, including risks associated with the types of securities in which the private fund invests.

Certain illiquid investments may not be able to be sold at prices that reflect the assessed value.

## CONFLICTS OF INTEREST

Provenio Capital relies on the client's custodian or individual fund manager for the value of securities held in client portfolios and carries the SPV investments at cost provided there are no significant impairments or the SPV's securities are not publicly traded.

Provenio Capital and its employees generally are not responsible to any client or investor for losses incurred in an account unless the conduct resulting in the loss breached Provenio Capital's fiduciary duty to the client or investor.

Provenio Capital provides certain investors or clients with more frequent or detailed services or reports that it does not provide to other investors or clients.

In some cases, the fund managers we recommend may also be our clients. We will ensure full disclosure of such relationships to investors before proceeding with any allocations.

## CYBERSECURITY AND SYSTEMS RISKS

Provenio relies on computer programs, networks, devices, and systems (and may rely on new systems and technology in the future) in connection with the Firm's investment activities. These programs or systems can be subject to certain defects, failures, interruptions, or security breaches, including, but not limited to, those caused by computer "worms," viruses, power failures and social engineering schemes such as "phishing," each of which could result in a loss to the

Provenio's operations are dependent on each of these systems and the successful operation of such systems is often out of the Firm's control. Any such defect, failure or breach could have a material adverse effect on clients, the Firm, or its affiliates. Cybersecurity breaches can cause (i) disruptions and impact business operations, potentially resulting in financial losses to the clients; (ii) the inability of the Firm and other service providers to transact business; (iii) violations of applicable privacy and other laws; (iv) regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as (v) the inadvertent release of confidential or sensitive information.

## BUSINESS CONTINUITY AND DISASTER RECOVERY

Provenio Capital maintains a Business Continuity Plan ("BCP") to ensure the continuation of services to Provenio clients and enhance the safety of its employees. The BCP was developed and tested to provide protocols in an emergency such as this. These procedures are designed to limit disruption in services and maintain efficient and effective operations. Provenio Capital has performed comprehensive firm-wide business continuity and disaster recovery testing over the years. As a result, Provenio Capital has a well-defined plan, and its controls and policies are effective.

### ITEM 9 - DISCIPLINARY INFORMATION

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our business or the integrity of our management. Provenio Capital does not have any disciplinary information to disclose.

### ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

#### AFFILIATED INSURANCE AGENCY

Provenio Capital is affiliated with Provenio Capital Insurance Services LLC ("Provenio Insurance"), a licensed insurance agency. Provenio Capital and Provenio Insurance share the same principal place of business and are both 100% owned by Provenio Capital LLC. Principal, Kevin Murphy, is also licensed as an insurance agent through Provenio Insurance. As a licensed insurance agent, Mr. Murphy from time to time will offer insurance products and receive normal and customary commissions if a client purchases insurance products. This presents a conflict of interest to the extent that Mr. Murphy would have greater incentive to recommend products that result in a commission. Sometimes, such insurance products might be offered and sold to individuals employed by the management firms we suggest for inclusion in client portfolios. When recommending commissionable products to advisory clients, we have a fiduciary duty to recommend products that are in the best interest of the client regardless of whether we are receiving a commission on the product. Clients are under no obligation to act on any insurance recommendations or place any transactions through these insurance agents if they decide to follow their recommendations.

#### GENERAL PARTNER INTERESTS

Mr. Durrant has an ownership interest in Caffeinated Capital GP II, LLC, which serves as the general partner of the Caffeinated Capital Fund II, LP and Consumer Fund Holdco, LLC, which is a member of Sandbridge Consumer Fund I General Partner, LLC, the general partner for Sandbridge Consumer Fund I, LP and Sandbridge Consumer (Parallel) Fund I, LP. Provenio Capital clients are invested in Caffeinated Capital Fund II, LP and Sandbridge Consumer Fund I, LP. Because of Mr. Durrant's interests in these general partnerships, a conflict of interest exists,



in that Mr. Durrant has the incentive to recommend these funds to Provenio Capital clients. See **Item 11** below for more information on how we address this conflict.

## ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

### CODE OF ETHICS

Provenio Capital believes that we owe clients the highest level of trust and fair dealing. As part of our fiduciary duty, we place the interests of our clients ahead of the interests of the firm and our personnel. Provenio Capital has adopted a Code of Ethics that emphasizes the high standards of conduct that Provenio Capital seeks to observe. Provenio Capital's personnel are required to always conduct themselves with integrity and follow the principles and policies detailed in our Code of Ethics.

Provenio Capital's Code of Ethics attempts to address specific conflicts of interest that either we have identified or that could likely arise. Provenio Capital's personnel are required to follow guidelines from the Code of Ethics in areas such as gifts and entertainment, other business activities, prohibitions of insider trading, and adherence to applicable federal securities laws. Additionally, employees who formulate investment advice for clients or who have access to nonpublic information regarding any clients' purchase or sale of securities are subject to personal trading policies governed by the Code of Ethics (see below).

Provenio Capital will provide a complete copy of the Code of Ethics to any client or prospective client upon request.

#### Personal Trading Practices

Provenio Capital and our employees may purchase or sell securities for themselves that we also recommend to clients. This presents a conflict of interest, as we have an incentive to take investment opportunities from clients for our own benefit, favor our personal trades over client transactions when allocating trades, or use the information about the transactions we intend to make for clients to our personal benefit by trading ahead of clients.

Our policies to address these conflicts include the following:

1. The client receives the opportunity to act on investment recommendations prior to or at the same time as accounts of Provenio Capital and our employees.
2. Provenio Capital prohibits trading in a manner that takes personal advantage of client transactions.
3. Provenio Capital requires our employees to obtain pre-approval for personal trades from the Chief Compliance Officer and to report their personal securities transactions to the firm.
4. Under certain limited circumstances, we make exceptions to the policies stated above. Provenio Capital will maintain records of these trades, including the reasons for any exceptions.



## PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

As described above under Item 10, from time to time, Provenio Capital recommends that clients invest in a fund or company in which one or more of our employees has an ownership interest. This presents a conflict of interest between the client's interests and the interests of the Provenio Capital employee. To address this conflict, Provenio Capital will disclose existing and intended ownership interests in funds or companies recommended to clients at the time of the recommendation. These investments are subject to the same due diligence and approval standards as any other investment recommended to clients. Any conflicts of interest identified during the due diligence and approval process will be reviewed by Provenio Capital's Compliance Committee and remediated or disclosed to investors at the time of the recommendation or at any time a conflict emerges. If either Provenio Capital or our employees will receive additional compensation in connection with recommending such investments beyond Provenio Capital's customary and disclosed advisory fees or any indirect benefit is received as a result of the ownership interest (see also **Other Compensation** under **Item 5**), the compensation and or benefit will be disclosed to the client at the time of the recommendation or prior to the receipt of any additional benefits or compensation.

From time to time, Provenio Capital recommends that clients make an investment in which one or more of its clients has an ownership interest. This presents a conflict of interest between the client's interests and the interests of Provenio Capital. To address this conflict and to ensure the Firm is acting in its client's best interest, Provenio Capital conducts initial and ongoing due diligence of all recommended investments. Any conflict of interest identified during the due diligence process will be reviewed by Provenio Capital's Compliance Committee and disclosed to clients at the time of the recommendation or at any time a conflict of interest emerges.

In its investment advisory role, Provenio Capital may provide insurance services or refer clients to strategic partners who promote traditional insurance products and receive standard commissions upon client purchases, and who may be relatives of Provenio employees. Such relatives may possess financial or other interests in the transactions, potentially resulting in direct and indirect benefits to them and to Provenio. Such arrangements could create conflicts of interest due to incentives to recommend commission-generating products, which vary by insurance carrier and product type. Nonetheless, we affirm our fiduciary commitment to act in our clients' best interests when recommending any commissionable products.

## ITEM 12 - BROKERAGE PRACTICES

### FACTORS CONSIDERED IN SELECTING BROKER-DEALERS FOR CLIENT TRANSACTIONS

Provenio Capital requires clients to have one or more custodian accounts in their own name, at a qualified custodian of the client's choice, for any cash or securities managed by Provenio Capital. For clients in need of brokerage or custodial services, Provenio Capital recommends the use of Schwab Advisor Services™, a division of Charles Schwab & Co., Inc. ("Schwab"). Schwab is an unaffiliated SEC-registered broker-dealer and FINRA (Financial Industry Regulatory Authority) member firm and is a qualified custodian. Custodians offer services to independently registered investment advisers, which include custody of securities, trade execution, and clearance and settlement of transactions. The client will enter into a separate agreement with the custodian to custody the assets. We are independently owned and operated, and unaffiliated with Schwab.





We seek to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, their respective financial strength, reputation, execution, pricing, commissions and execution costs, research, and service.

### Research and Other Benefits

Provenio Capital receives from particular broker-dealers/custodians, without cost (or at a discount), support services and/or products that benefit Provenio Capital but may not directly benefit our clients or their accounts. The custodians make available products and services that assist Provenio Capital in managing and administering clients' accounts including software and other technology that:

1. provide access to client account data (such as trade confirmations and account statements);
2. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
3. provide research, pricing, and other market data;
4. facilitate payment of Provenio Capital's fees from our clients' accounts; and
5. assist with back-office functions, recordkeeping, and client reporting.

The custodians also offer other services intended to help Provenio Capital manage and further develop our business enterprise. These services include some or all the following:

1. educational conferences and events;
2. compliance, legal and business consulting;
3. publications and conferences on practice management and business succession; and
4. access to employee benefits providers, human capital consultants, and insurance providers.

The custodians provide some of these services themselves or arrange for third-party vendors to provide the services to Provenio Capital. The custodians may also discount or waive their fees for some of these services or pay all or a part of a third party's fees. The custodians may also provide Provenio Capital with other benefits, such as occasional business entertainment of the Firm's personnel. In evaluating whether to recommend that client's custody their assets at a specific custodian, we take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely the nature, cost or quality of custody and brokerage services provided by custodians, which creates a potential conflict of interest.

## AGGREGATION OF TRANSACTIONS

Since Provenio Capital does not trade in individual securities, we do not aggregate client transactions. In making securities recommendations to clients, we seek to treat all clients equitably. Provenio Capital has adopted policies and procedures intended to ensure that our trading allocations are fair to all of our clients.

## ITEM 13 - REVIEW OF ACCOUNTS

### ACCOUNT REVIEWS

Provenio Capital distributes performance reports on a quarterly basis and conducts account reviews with clients on an annual, semi-annual, or quarterly basis, based on client preferences. The reviews include considering client objectives, account performance, and overall portfolio construction.

## ACCOUNT REPORTING

Each client receives a written statement from the custodian that includes an accounting of holdings and transactions in the account for the reporting period. In addition, Provenio Capital provides written reports detailing performance in client accounts on a quarterly basis.

## ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

### BENEFITS WE RECEIVE FROM CUSTODIAL BROKERS

We receive an economic benefit from our recommended custodians in the form of the support products and services they make available to us and other independent investment advisers whose clients maintain their accounts in their custody. These products and services, how they benefit Provenio Capital, and the related conflicts of interest are described above (see **Item 12 – Brokerage Practices**). The availability of custodial brokers' products and services to use is not based on Provenio Capital giving particular investment advice, such as buying particular securities for the Firm's clients.

### FEE SHARING FOR CLIENT REFERRALS

From time to time, Provenio Capital compensates third parties (and employees), referred to as promoters, who refer or otherwise introduce prospects to Provenio Capital. These arrangements, which are made pursuant to written agreements and in accordance with Rule 206(4)-1 under the Advisers Act (the "Marketing Rule") and any other applicable state or regulatory requirements, vary in nature and the terms are negotiated between the party and Provenio Capital. As required by the Marketing Rule, Provenio Capital requires each promoter to provide disclosure about its compensation arrangement with Provenio Capital, along with a description of any material conflicts of interest raised by the arrangement. If Provenio Capital accepts a new client who is introduced to Provenio Capital by a third party promoter, Provenio Capital will pay such third party promoter a placement fee that is based upon the assets the client places with Provenio Capital or a portion of the management fee generated by the account for a period of time which varies on a case-by-case basis. These arrangements present a conflict of interest because the payments may induce the third party to recommend Provenio Capital to a client when the third party might not otherwise do so if there was no payment. These payments, including the nature of each relationship and a description of material conflicts of interest, are disclosed to the prospects prior to or at the time of executing an investment management agreement and do not impact the advisory fee paid to Provenio Capital by the client. Currently, we maintain various types of agreements, to include sub-advisory with Lombard International Life Assurance Company, SALI Fund Management, LLC, Spearhead Administrative Services, LLC and/or promoter services with Calamar Financial Solutions. Each arrangement may vary regarding specific terms and conditions and compensation to include cash and non-cash compensation.

## ITEM 15 - CUSTODY

Provenio Capital does not maintain physical custody of clients' funds or securities. However, we may exercise limited custody of some of our clients' funds or securities when the clients authorize us to deduct our management fees directly from the client's account or when clients have instructed us through a standard letter of authorization to disburse money to a third-party on their behalf. A qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution) holds clients' funds and securities. Clients will receive statements directly from

their qualified custodian at least quarterly. The statements will reflect the client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of our fees.

Clients should carefully review their account statements they receive from the qualified custodian. When clients receive statements from Provenio Capital as well as from the qualified custodian, they should compare these two reports carefully for accuracy. Clients with any questions about their statements should contact us at the address or phone number on the cover of this brochure. Clients who do not receive a statement from their qualified custodian at least quarterly should also notify us.

## ITEM 16 - INVESTMENT DISCRETION

Provenio Capital provides investment management services on a discretionary or non-discretionary basis depending on the agreement with the client and type of security.

For alternative investments not held in the client's custodian account, the client's written agreement is required to participate in the investment and Provenio Capital has no discretionary authority. For these investments, Provenio Capital will recommend the security to the client, and if the client chooses to move forward with the investment, Provenio Capital will assist the client in acquiring the security from the issuer.

For the IDF Fund and the SMAs, Provenio Capital, through a contractual agreement, has discretion to select or change third party managers for the account. The number of eligible managers is limited for the IDF Fund.

For separate accounts, Provenio Capital has discretion for certain clients and does not have discretion for other clients to select or change managers for the account. Our discretionary authority is outlined in the contracts clients sign with us or with the third-party manager or in the custodian paperwork. The third-party manager investing client assets will have full discretionary authority over the portion of the client's account they manage.

For mutual funds or securities held directly in certain custodial accounts, Provenio Capital will have discretion to decide the specific security to trade, the quantity, and the timing of transactions for client accounts and will not be required to contact the client prior to making trades in the account.

Certain client-imposed conditions limit our discretionary authority, such as where the client prohibits transactions in specific security types. See also ***Tailored Services and Client Imposed Restrictions*** under ***Item 4***, above.

Provenio Capital's discretionary authority will be derived from its authority as the adviser of the SPVs and pursuant to an investment management agreement entered into by Provenio Capital and the general partner. Provenio Capital exclusively manages the business of the SPVs and has discretionary investment authority to manage any new and existing investments made by the SPVs. In addition, investors in the SPVs must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool.

## ITEM 17 - VOTING CLIENT SECURITIES

### PROXY VOTING

Provenio Capital does not accept or have the authority to vote client securities. For separate accounts, the IDF Fund and SMAs, the appointed third-party manager is typically responsible for voting proxies for securities selected by the manager that are held in clients' accounts. However, clients may call us if they have questions about a particular solicitation. Provenio Capital will not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. For accounts subject to ERISA, an authorized plan fiduciary other than Provenio Capital will retain proxy voting authority.

For SPVs, Provenio Capital will generally not have, nor will it accept, the authority to exercise power to vote proxies with respect to client securities. As such, Provenio Capital will not vote proxies on behalf of investors.

### CLASS ACTIONS

Provenio Capital does not instruct or give advice to clients on whether or not to participate as a member of class action lawsuits and will not automatically file claims on the client's behalf. However, if a client notifies us that they wish to participate in a class action, we will provide the client with any transaction information pertaining to the client's account needed for the client to file a proof of claim in a class action.

## ITEM 18 - FINANCIAL INFORMATION

Registered investment advisers are required in this item to provide clients with certain financial information or disclosures about the firm's financial condition. Provenio Capital does not require the prepayment of more than \$1,200 in fees per client, six months or more in advance.

Provenio Capital has never been the subject of bankruptcy petition, nor do we have any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.