



PINE VALLEY

INVESTMENTS

Form ADV Part 2A

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This brochure provides information about the qualifications and business practices of Pine Valley Investments Limited Liability Company. If you have any questions about the contents of this brochure, please contact us at 513-832-5385 or by email at: andrew.armstrong@dinsmorecomplianceservices.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

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

Version Date:

March 28, 2024

Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of Pine Valley Investments on 03/31/2023 are described below. This list summarizes changes to policies, practices, or conflicts of interests only.

- Pine Valley Investments has made no material changes since its last annual filing.

Item 3: Table of Contents

Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business	3
Item 5: Fees and Compensation	5
Item 6: Performance-Based Fees and Side-By-Side Management	8
Item 7: Types of Clients	9
Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss	9
Item 9: Disciplinary Information	14
Item 10: Other Financial Industry Activities and Affiliations	15
Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading	15
Item 12: Brokerage Practices	16
Item 13: Reviews of Accounts	19
Item 14: Client Referrals and Other Compensation	19
Item 15: Custody	20
Item 16: Investment Discretion	20
Item 17: Voting Client Securities (Proxy Voting)	20
Item 18: Financial Information	20

Item 4: Advisory Business

A. Description of the Advisory Firm

Pine Valley Investments (hereinafter “PVI”) is a Limited Liability Company organized in the State of New Jersey. The firm was formed in October 2014, and the Managing Member is Harry Morad. Harry Morad, Joseph Duncan, and Michael Modica are founding partners at Pine Valley Planning, PV Capital, LLC, and Pine Valley Consulting. PV Capital, LLC is the manager to PV Opportunity Fund Series I, LLC, a private investment fund. PV Capital, LLC may serve as manager to one or more private investment funds in the future. PV Capital, LLC is owned by Harry Morad, Joseph Duncan, Michael Modica, and others. Pine Valley Planning is a licensed insurance producer through which Pine Valley Investments investment adviser representatives may be licensed to sell insurance.

B. Types of Advisory Services

Portfolio Management Services - (PVI-introduced clients)

PVI renders investment advice to clients through its investment adviser representatives. PVI often refers to these clients as “PVI-introduced clients”. For these clients, PVI offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. PVI uses information collected from clients in its Client Profile Sheet (which is an exhibit to its Investment Advisory Contract), which outlines the client’s current situation (income, net worth, investment experience, and risk tolerance levels) and then constructs a plan to aid in

the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Investment Strategy
- Asset Allocation
- Risk Tolerance
- Performance Reporting
- Asset Selection
- Regular Portfolio Monitoring

PVI evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. In its Investment Advisory Contract, PVI requests discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are determined by a questionnaire which is given to each client, along with on-going correspondence.

Investment Management Services through Tri-Party Agreements (Referred Clients)

PVI may also enter into Tri-Party Agreements with other investment advisers and their clients. PVI refers to these clients as “Referred Clients”. These Tri-Party agreements delegate services between the other investment adviser (referred to in the Tri-Party Agreement as an “Adviser” and PVI (referred to in the Tri-Party Agreement as the “Manager”). The Adviser is engaged by the Referred Client to assist the Referred Client with the day-to-day interactions related to the management of the Referred Client’s investment assets. Among other responsibilities, the Adviser is responsible for (1) assisting the Referred Client with completing a Client Profile Sheet, (2) developing the referred Client’s investment objectives, (3) serving as the Referred Client’s primary contact with respect to their account, (4) assisting the Referred Client with the selection of an investment strategy, and (5) communicating any restrictions to PVI. PVI is responsible for the investing activities of each Referred Client’s account.

Pension Consulting Services

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

Subadvisor Services

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

Selection of Other Advisers

PVI has discretion to choose third-party investment advisers to manage all or a portion of the client's assets. These investments may be allocated either through the third-party adviser's fund or through a separately managed account managed by such third-party adviser on behalf of PVI's client. PVI may also allocate among one or more private equity funds or private equity fund advisers. PVI will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

Selection of another adviser may come at the request of the client.

C. Client Tailored Services and Client Imposed Restrictions

For PVI-introduced clients, PVI will tailor a program for each individual client. This will include necessary communication to get to know the client's specific needs and requirements as well as a plan that will be executed by PVI on behalf of the client. PVI may use "model portfolios" together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent PVI from properly servicing the client account, or if the restrictions would require PVI to deviate from its standard suite of services, PVI reserves the right to end the relationship. For Referred Clients, PVI generally manages the Referred Client's account according to the investment strategy or model portfolio selected by the Referred Client and their Adviser. Referred Clients may impose restrictions on investing in certain securities or types of securities, subject to PVI's acceptance.

D. Wrap Fee Programs

A wrap fee program is an investment program wherein the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. PVI does not currently participate in any wrap fee programs.

E. Assets Under Management

PVI has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$ 1,742,507,212	\$ 0	December 31, 2023

PVI has the following assets under advisement:

AUA:
\$ 118,341,908

Item 5: Fees and Compensation

A. Fee Schedule

Fees for Portfolio Management - **(PVI-introduced clients)**

Below is the maximum annual fee schedule for PVI-introduced clients. PVI allows its investment adviser representatives to negotiate a fee subject to approval by PVI's management. The agreed upon fee is attached as Exhibit II of the Investment Advisory Contract.

Total Assets Under Management	Annual Fee
\$0 - \$2,000,000	1.80%
\$2,000,001 - \$20,000,000	1.50%
\$20,000,001 - \$100,000,000	1.20%

\$100,000,001 – and up	1.00%
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PVI strives to bill clients for services rendered in accordance with its written agreement with clients.

PVI's Investment Advisory Contract and other applicable documentation reflects that annual fees are prorated and payable quarterly, in advance, based upon the market value of cash and securities in the Account on the first day of the billing period.

If an agreement or account is opened at any time other than the first day of a Calendar Quarter, fees may be applied on a pro rata basis. In these cases, the advisory fee is payable in proportion to the number of days in the quarter for which the assets will be under management and will be valued as of the day before or on when the Manager begins managing the Assets.

PVI's billing specialist will cause client accounts to be billed using the market value of the account on the first day of each billing period or the ending balance of the prior quarter. They will instruct the custodian to deduct client fees promptly, and within a reasonable amount of time after the start of the calendar quarter end. The billing specialist should seek to have fees deducted within ten business days, but in any event within fifteen business days unless for circumstances that prevent this process from occurring.

For accounts opened during the quarter, the billing specialist should seek to have those fees deducted within a reasonable amount of time, but in any event within fifteen business days.

Billing may include pending dividends and other coupons reflected in the underlying but not yet reflected in the custodial account. This may be known within the industry as an accrual-based method.

PVI reserves the right to use third party software providers that specialize in the automation of the billing process.

Clients may terminate the Investment Advisory Contract generally with 30 days' written notice. In the event of termination, PVI will provide clients with a refund based on the number of days elapsed in the billing period.

Investment Management Services through Tri-Party Agreements Fees (Referred Clients)

Referred Clients are responsible for paying the fees outlined on Exhibit C to the Tri-Party Agreement.

Referred Clients will pay a fee to the Adviser and PVI for their respective services. The total annual fee rate that a Referred Client will pay will not exceed 2.0%.

PVI's annual fee will be prorated and paid quarterly, in advance, based upon the market value of cash and securities in the account on the first day of the billing period. The Adviser's annual fee will be prorated and paid monthly, in advance, based upon the market value of cash and securities in the account on the first day of the billing period.

When applicable (e.g., January 1, April 1, July 1, October 1), the Adviser's fee and PVI's fee are calculated at the same time based on the total market value of cash and securities in the account.

If the Tri-Party Agreement is executed at any time other than the first day of a billing period, fees will apply on a pro rata basis. In these cases, both the Adviser's and PVI's fee will be determined based on the number of days remaining in the period and the value of the assets will be determined as of the business day prior to PVI beginning to manage the assets.

Selection of Other Advisers Fees

PVI will receive its standard fee on top of the fee paid to the third-party adviser. This relationship will be memorialized in each contract between PVI and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency. The PVI may engage in the selection of third-party money managers but does not have any such arrangements in place at this time. This service may be canceled with 30 days' notice. Asset-Based Fees for Pension Consulting.

Subadvisor Services Fees

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

B. Payment of Fees

Payment of Asset-Based Portfolio Management Fees

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

Payment of Asset-Based Pension Consulting Fees

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

Payment of Selection of Other Advisers Fees

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

Payment of Subadvisor Fees

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

Payment of Tri-Party Agreement Fees

Both the Adviser's fee and PVI's fee will be calculated and deducted from the client's account by PVI. PVI will pay the Adviser its fee due under the Agreement.

C. Client Responsibility for Third Party Fees

PVI's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment advisers and other third parties. Such fees may include, but may not be limited to: fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other

fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to PVI's fee. PVI will not receive any portion of these commissions, fees, and costs.

D. Prepayment of Fees

PVI generally calculated and deducts its fees from client accounts in advance. Upon the termination of an Investment Advisory Contract or a Tri-Party Agreement, PVI will issue a refund of its fees (and the fees of an Adviser, if applicable) equal to any unearned fee for the remainder of the period. The fee refunded will be equal to the balance of the fees collected in advance, minus the daily rate, which is calculated by dividing the annual asset-based fee rate by 365, times the number of days elapsed in the billing period up to and including the day of termination. Refunds for fees paid in advance will typically be returned within fourteen days to the client via check or return deposit back into the client's account. Refunds for the Adviser on any Tri-Party Agreement will also be refunded using the calculation listed above.

E. Outside Compensation for the Sale of Securities to Clients

Certain supervised persons of PVI, in their individual capacities, as registered representatives of J. Alden Associates, Inc. ("J. Alden"), a FINRA member broker-dealer, are compensated for the sale of brokerage products such as variable annuities and 529 plans and are compensated for purchases of mutual funds by brokerage customers in their brokerage accounts at J. Alden. The compensation our supervised persons receive for effecting securities transactions creates a conflict of interest with our clients, as it creates an incentive for our supervised persons to recommend investments based on the compensation the person will receive rather than based on a client's needs. We seek to mitigate this conflict of interest through this disclosure. In addition, the conflict is mitigated because neither PVI nor the registered representatives will charge advisory fees on securities that were recommended and sold in a brokerage capacity. Clients may purchase brokerage products that are recommended through other registered representatives of broker-dealers that are not affiliated with PVI.

Certain of our supervised persons are licensed insurance agents and Pine Valley Planning is a licensed insurance producer. They may receive normal and customary compensation for the purchase of insurance, including long-term care and life insurance policies. The compensation our affiliate and supervised persons receive for selling insurance creates a conflict of interest, as it creates an incentive for them to recommend insurance based on the compensation they will receive rather than based on a client's needs. We seek to mitigate this conflict of interest through this disclosure. Clients are free to obtain insurance coverage through other insurance agents and producers.

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

PVI does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client. However, PV Capital stands to receive potential performance-based fees from PV Opportunity Fund Series I, LLC. The terms and conditions for the fund, including its management and incentive fees, conflicts of interest, risk factors, and liquidity constraints, are set forth in its offering documents, which each prospective investor client shall receive and shall be required to complete.

PVI generally charges advisory clients an asset-based fee for the advisory service provided, but PVI (or its affiliate) are entitled to receive performance-based fees or allocations from the

affiliated private fund. In addition, the affiliated private fund can pay higher asset-based fees to PVI and its affiliate than certain clients. As a result, PVI has an incentive to recommend that clients invest in the affiliated private fund.

In addition, the performance of the affiliated private fund is not a specific metric used to determine the compensation structure of our representatives, though representatives who indirectly have an equity interest in PVI or PV Capital will derive indirect benefits from performance-based fees or allocations received.

No client is under any obligation to become an investor in the affiliated private fund. PVI seeks to mitigate these conflicts of interest by disclosing them to clients and allowing clients to determine whether investments in the affiliated private fund are appropriate for them.

Item 7: Types of Clients

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

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

Minimum Account Size for Portfolio Management

- There is an account minimum of \$500,000, which may be waived by PVI in its discretion.
- There is an account minimum of \$5,000,000 for Comprehensive Family Office Services, which may be waived by PVI in its discretion

Minimum Account Size for Pension Consulting

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

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

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

- ***Fundamental analysis*** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.
- ***Technical analysis*** involves the analysis of past market data; primarily price and volume.
- ***Quantitative analysis*** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on

Investment Strategies

- PVI uses long term trading, short term trading, short sales, margin transactions and options trading (including covered options, uncovered options, or spreading strategies). PVI will also use cash as another portfolio position and through our tactical rebalancing cash within portfolios may increase or decrease to ensure net exposure is consistent with our investment committee's near-term market outlooks.
- Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.
 - PVI's use of short sales, margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.
 - Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.
 - Short term trading risks include liquidity, economic stability, and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.
 - Short sales entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.
 - Margin transactions use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.
 - Options transactions involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

B. Material Risks Involved

Investing in securities involves a significant risk of loss which clients should be prepared to bear. PVI's investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions will not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of the client's account. There can be no assurance that the client's investment objectives will be obtained and no inference to the contrary should be made.

Generally, the market value of equity stocks will fluctuate with market conditions, and small- stock prices generally will fluctuate more than large-stock prices. The market value of fixed income securities will generally fluctuate inversely with interest rates and other market conditions prior to maturity. Fixed income securities are obligations of the issuer to make payments of principal and/or interest on future dates, and include, among other securities: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities, or by a non-U.S. government or one of its agencies or instrumentalities; municipal securities; and mortgage-backed and asset- backed securities. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations and inflation-linked fixed income securities. The value of longer duration fixed income securities will generally fluctuate more than shorter duration fixed income securities. Investments in overseas markets also pose special risks, including currency fluctuation and political risks, and it may be more volatile than that of a U.S. only investment. Such risks are generally intensified for investments in emerging markets. In addition, there is no assurance that a mutual fund or ETF will achieve its investment objective. Past performance of investments is no guarantee of future results.

Methods of Analysis

- **Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.
- **Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.
- **Quantitative Model Risk:** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

Additional risks involved in the securities recommended by PVI include, among others:

- *Stock market risk*, which is the chance that stock prices overall will decline. The market value of equity securities will generally fluctuate with market conditions. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Prices of equity securities tend to fluctuate over the short term as a result of factors affecting the individual companies, industries or the securities market as a whole. Equity securities generally have greater price volatility than fixed income securities.
- *Sector risk*, which is the chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- *Issuer risk*, which is the risk that the value of a security will decline for reasons directly related to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods or services.
- *Non-diversification risk*, which is the risk of focusing investments in a small number of issuers, industries or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.
- *Value investing risk*, which is the risk that value stocks not increase in price, not issue the anticipated stock dividends, or decline in price, either because the market fails to recognize the stock's intrinsic value, or because the expected value was misgauged. If the market does not recognize that the securities are undervalued, the prices of those securities might not appreciate as anticipated. They also may decline in price even though in theory they are already undervalued. Value stocks are typically less volatile than growth stocks, but may lag behind growth stocks in an up market.
- *Smaller company risk*, which is the risk that the value of securities issued by a smaller company will go up or down, sometimes rapidly and unpredictably as compared to more widely held securities. Investments in smaller companies are subject to greater levels of credit, market and issuer risk.
- *Foreign (non-U.S.) investment risk*, which is the risk that investing in foreign securities result in the portfolio experiencing more rapid and extreme changes in value than a portfolio that invests exclusively in securities of U.S. companies. Risks associated with investing in foreign securities include fluctuations in the exchange rates of foreign currencies that may affect the U.S. dollar value of a security, the possibility of substantial price volatility as a result of political and economic instability in the foreign country, less public information about issuers of securities, different securities regulation, different accounting, auditing and financial reporting standards and less liquidity than in the U.S. markets.

- *Interest rate risk*, which is the chance that prices of fixed income securities decline because of rising interest rates. Similarly, the income from fixed income securities may decline because of falling interest rates.
- *Credit risk*, which is the chance that an issuer of a fixed income security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that fixed income security to decline.
- *Exchange Traded Fund (ETF) risk*, which is the risk of an investment in an ETF, including the possible loss of principal. ETFs typically trade on a securities exchange and the prices of their shares fluctuate throughout the day based on supply and demand, which may not correlate to their net asset values. Although ETF shares will be listed on an exchange, there can be no guarantee that an active trading market will develop or continue. Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. ETFs are also subject to secondary market trading risks. In addition, an ETF may not replicate exactly the performance of the index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain securities in the secondary market, or discrepancies between the ETF and the index with respect to weighting of securities or number of securities held.
- *Management risk*, which is the risk that the investment techniques and risk analyses applied by PVI may not produce the desired results and that legislative, regulatory, or tax developments, affect the investment techniques available to PVI. There is no guarantee that a client's investment objectives will be achieved.
- *Real Estate risk*, which is the risk that an investor's investments in Real Estate Investment Trusts ("REITs") or real estate-linked derivative instruments will subject the investor to risks similar to those associated with direct ownership of real estate, including losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes and operating expenses. An investment in REITs or real estate-linked derivative instruments subject the investor to management and tax risks.
- *Investment Companies ("Mutual Funds") risk*, when an investor invests in mutual funds, the investor will bear additional expenses based on his/her pro rata share of the mutual fund's operating expenses, including the management fees. The risk of owning a mutual fund generally reflects the risks of owning the underlying investments the mutual fund holds.
- *Commodity risk*, generally commodity prices fluctuate for many reasons, including changes in market and economic conditions or political circumstances (especially of key energy-producing and consuming countries), the impact of weather on demand, levels of domestic production and imported commodities, energy conservation, domestic and foreign governmental regulation (agricultural, trade, fiscal, monetary and exchange control), international politics, policies of OPEC, taxation and the availability of local, intrastate and interstate transportation systems and the emotions of the marketplace. The risk of loss in trading commodities can be substantial.
- *Cybersecurity risk*, which is the risk related to unauthorized access to the systems and networks of PVI and its service providers. The computer systems, networks and devices used by PVI and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections used, systems, networks or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. Cybersecurity breaches cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations

of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or other compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issues of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers and other financial institutions; and other parties. In addition, substantial costs may be incurred by those entities in order to prevent any cybersecurity breaches in the future.

- *Alternative Investments / Private Funds risk*, investing in alternative investments is speculative, not suitable for all clients, and intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment, which can include:
 - loss of all or a substantial portion of the investment due to leveraging, short-selling or other speculative investment practices;
 - lack of liquidity in that there may be no secondary market for the investment and none expected to develop;
 - volatility of returns;
 - restrictions on transferring interests in the investment;
 - potential lack of diversification and resulting higher risk due to concentration of trading authority when a single adviser is used;
 - absence of information regarding valuations and pricing;
 - delays in tax reporting;
 - less regulation and higher fees than mutual funds;
 - risks associated with the operations, personnel, and processes of the manager of the funds investing in alternative investments.
- *Closed-End Funds risk*-
 - Closed-end funds typically use a high degree of leverage. They may be diversified or non-diversified. Risks associated with closed-end fund investments include liquidity risk, credit risk, volatility and the risk of magnified losses resulting from the use of leverage. Additionally, closed-end funds may trade below their net asset value.
- *Structured Notes risk* -
 - Complexity. Structured notes are complex financial instruments. Clients should understand the reference asset(s) or index(es) and determine how the note's payoff structure incorporates such reference asset(s) or index(es) in calculating the note's performance. This payoff calculation may include leverage multiplied on the performance of the reference asset or index, protection from losses should the reference asset or index produce negative returns, and fees. Structured notes may have complicated payoff structures that can make it difficult for clients to accurately assess their value, risk and potential for growth through the term of the structured note. Determining the performance of each note can be complex and this calculation can vary significantly from note to note depending on the structure. Notes can be structured in a wide variety of ways. Payoff structures can be leveraged, inverse, or inverse-leveraged, which may result in larger returns or losses. Clients should carefully read the prospectus for a structured note to fully understand how the payoff on a note will be calculated and discuss these issues with PVI.
 - Market risk. Some structured notes provide for the repayment of principal at maturity, which is often referred to as "principal protection." This principal protection is subject to the credit risk of the issuing financial institution. Many structured notes do not offer this feature. For structured notes that do not offer principal protection, the performance of the linked asset or

index may cause clients to lose some, or all, of their principal. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, and/or market volatility.

- Issuance price and note value. The price of a structured note at issuance will likely be higher than the fair value of the structured note on the date of issuance. Issuers now generally disclose an estimated value of the structured note on the cover page of the offering prospectus, allowing investors to gauge the difference between the issuer's estimated value of the note and the issuance price. The estimated value of the notes is likely lower than the issuance price of the note to investors because issuers include the costs for selling, structuring and/or hedging the exposure on the note in the initial price of their notes. After issuance, structured notes may not be re-sold on a daily basis and thus may be difficult to value given their complexity.
- Liquidity. The ability to trade or sell structured notes in a secondary market is often very limited, as structured notes (other than exchange-traded notes known as ETNs) are not listed for trading on securities exchanges. As a result, the only potential buyer for a structured note may be the issuing financial institution's broker-dealer affiliate or the broker-dealer distributor of the structured note. In addition, issuers often specifically disclaim their intention to repurchase or make markets in the notes they issue. Clients should, therefore, be prepared to hold a structured note to its maturity date, or risk selling the note at a discount to its value at the time of sale.
- Credit risk. Structured notes are unsecured debt obligations of the issuer, meaning that the issuer is obligated to make payments on the notes as promised. These promises, including any principal protection, are only as good as the financial health of the structured note issuer. If the structured note issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested in the structured notes as well as any other payments that may be due on the structured notes.

Clients are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, and that all investing is subject to risk. PVI does not guarantee the future performance of a client's portfolio, as investing in securities involves the risk of loss that clients should be prepared to bear.

Past performance of a security or a fund is not necessarily indicative of future performance or risk of loss.

Selection of Other Advisers:

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

Item 9: Disciplinary Information

Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of PVI or the integrity of its management. PVI has no information applicable to this Item.

Item 10: Other Financial Industry Activities and Affiliations

Certain employees of PVI are also affiliated as registered representatives with J. Alden. Clients and prospective clients should see Item 5.E for more information about these relationships and the conflicts of interest they create.

Certain of our supervised persons are licensed insurance agents with Pine Valley Planning and receive normal and customary compensation for the purchase long-term care and life insurance policies. The compensation our supervised persons receive for effecting securities transactions creates a conflict of interest with our clients, as it creates an incentive for our supervised persons to recommend insurance based on the compensation the supervised person will receive rather than based on a client's needs. We address this conflict of interest through this disclosure. Clients are free to obtain insurance coverage through other vendors if they wish.

As described in Item 4.A., Harry Morad, Joseph Duncan, and Michael Modica are members of PV Capital, LLC, which is the manager of PV Opportunity Fund, Series I, LLC, a private fund. PVI will recommend investments in this private fund to those clients for which investment in the fund is suitable. This presents a conflict of interest in that PVI or its related persons may receive more compensation from a client investing in the fund than if they had invested in other investments, because the fund charges different fees and has a performance-based component. Nevertheless, PVI seeks to act in the best interest of the client consistent with its fiduciary duties and clients are not required invest in the private fund if they do not wish to do so.

Recommendation of External Managers

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

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

A. Code of Ethics

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

B. Recommendations Involving Material Financial Interests

With the exception of PV Opportunity Fund, Series I, LLC, PVI does not recommend that clients buy or sell any security in which a related person to PVI or PVI has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of PVI may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of PVI to buy or sell the

same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. PVI will always document any transactions that could be construed as conflicts of interest and will seek to avoid engaging in trading that operates to the client's disadvantage when similar securities are being bought or sold.

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

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

Item 12: Brokerage Practices

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

PVI generally recommends that its investment management clients use the custody and brokerage services of an unaffiliated broker/dealer custodians (a "BD/Custodian") with which PVI has an institutional relationship. Currently, this includes Schwab Institutional, a division of Charles Schwab & Co., Inc., and Interactive Brokers LLC. All classify as a "qualified custodian" as that term is described in Rule 206(4)-2 of the Advisers Act. Each BD/Custodian provides custody of securities, trade execution, and clearance and settlement of transactions placed on behalf of clients by PVI. If your accounts are custodied at these custodians, they will maintain your assets in a brokerage account and buy and sell securities when we instruct them to. Clients will pay fees to qualified custodians for custody and the execution of securities transactions in their accounts.

In making BD/Custodian recommendations, PVI will consider a number of factors, including, without limitation: 1) clearance and settlement capabilities; 2) quality of confirmations and account statements; 3) the ability of the BD/Custodian to settle the trade promptly and accurately; 4) the financial standing, reputation and integrity of the BD/Custodian; 5) the BD/Custodian's access to markets, research capabilities, market knowledge, and any "value added" characteristics; 6) PVI's past experience with the BD/Custodian; and 7) PVI's past experience with similar trades. Recognizing the value of these factors, clients may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction.

In exchange for using the services, PVI may receive, without cost, computer software and related systems support that allows PVI to monitor and service its clients' accounts maintained with these custodians. The custodians also makes available to PVI products and services that benefit PVI but may not directly benefit the client or the client's account. These products and services assist PVI in managing and administering client accounts. They include investment research, both the custodians own and that of third parties. PVI may use this research to service all or some substantial number of client accounts, including accounts not maintained at the custodians. In addition to investment research, the custodians also makes available software and other technology that:

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

The custodians may also offer other services intended to help us manage and further develop our business enterprise. These services include:

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

The custodians may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to PVI. The custodians may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. The custodians may also provide PVI with other benefits such as occasional business entertainment of PVI personnel.

The benefits received by PVI through its participation in these custodial platforms do not depend on the amount of brokerage transactions directed to each custodian respectively. In addition, there is no corresponding commitment made by PVI to the custodians to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of participation in the program. While as a fiduciary, we endeavor to act in our clients' best interests, our recommendation that clients maintain their assets in accounts at the custodians will be based in part on the benefit to PVI of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the custodians. The receipt of these benefits creates a potential conflict of interest and may indirectly influence PVI's choice for custody and brokerage services.

PVI will periodically review its arrangements with the BD/Custodians and other broker-dealers against other possible arrangements in the marketplace as it strives to achieve best execution on behalf of its clients. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including, but not limited to, the following:

- a broker-dealer's trading expertise, including its ability to complete trades, execute and settle difficult trades, obtain liquidity to minimize market impact and accommodate unusual market conditions, maintain anonymity, and account for its trade errors and correct them in a satisfactory manner;
- a broker-dealer's infrastructure, including order-entry systems, adequate lines of communication, timely order execution reports, an efficient and accurate clearance and settlement process, and capacity to accommodate unusual trading volume;
- a broker-dealer's ability to minimize total trading costs while maintaining its financial health, such as whether a broker-dealer can maintain and commit adequate capital when necessary to complete trades, respond during volatile market periods, and minimize the number of incomplete trades;
- a broker-dealer's ability to provide research and execution services, including advice as to the value or advisability of investing in or selling securities, analyses and reports concerning such matters as companies, industries, economic trends and political factors, or services incidental to executing securities trades, including clearance, settlement and custody; and
- a broker-dealer's ability to provide services to accommodate special transaction needs, such as the broker-dealer's ability to execute and account for client-directed arrangements and soft dollar arrangements, participate in underwriting syndicates, and obtain initial public offering shares.

PVI's clients may use qualified custodians other than Schwab, or Interactive Brokers for certain accounts and assets, particularly where clients have a previous relationship with such qualified custodians.

Brokerage for Client Referrals

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

Clients Directing Which Broker/Dealer/Custodian to Use

Generally, in the absence of specific instructions to the contrary, for brokerage accounts that clients engage PVI to manage on a discretionary basis, PVI has full discretion with respect to securities transactions placed in the accounts. This discretion includes the authority, without prior notice to the client, to buy and sell securities for the client's account and establish and affect securities transactions through the BD/Custodian of the client's account or other broker-dealers selected by PVI. In selecting a broker-dealer to execute a client's securities transactions, PVI seeks prompt execution of orders at favorable prices.

A client, however, may instruct PVI to custody his/her account at a specific broker-dealer and/or direct some or all of his/her brokerage transactions to a specific broker-dealer. In directing brokerage transactions, a client should consider whether the commission expenses, execution, clearance, settlement capabilities, and custodian fees, if any, are comparable to those that would result if PVI exercised its discretion in selecting the broker-dealer to execute the transactions. Directing brokerage to a particular broker-dealer may involve the following disadvantages to a directed brokerage client:

- PVI's ability to negotiate commission rates and other terms on behalf of such clients could be impaired;
- such clients could be denied the benefit of PVI's experience in selecting broker-dealers that are able to efficiently execute difficult trades;
- opportunities to obtain lower transaction costs and better prices by aggregating (batching) the client's orders with orders for other clients could be limited; and
- the client could receive less favorable prices on securities transactions because PVI may place transaction orders for directed brokerage clients after placing batched transaction orders for other clients.

In addition to accounts managed by PVI on a discretionary basis where the client has directed the brokerage of his/her account(s), certain institutional accounts may be managed by PVI on a non-discretionary basis and are held at custodians selected by the institutional client. The decision to use a particular custodian and/or broker-dealer generally resides with the institutional client. PVI endeavors to understand the trading and execution capabilities of any such custodian and/or broker-dealer, as well as its costs and fees. PVI may assist the institutional client in facilitating trading and other instructions to the custodian and/or broker-dealer in carrying out PVI's investment recommendations.

Trade Errors

PVI's goal is to execute trades seamlessly and in the best interests of the client. In the event a trade error occurs, PVI endeavors to identify the error in a timely manner, correct the error so that the client's account is in the position it would have been had the error not occurred, and, after evaluating the error, assess what action(s) might be necessary to prevent a recurrence of similar errors in the future.

Trade errors generally are corrected through the use of a "trade error" account or similar account at the BD/Custodian, as the case may be. In the event an error is made in a client account custodied elsewhere,

PVI works directly with the broker in question to take corrective action. In all cases, PVI will take the appropriate measures to return the client's account to its intended position.

B. Aggregating (Block) Trading for Multiple Client Accounts

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

Item 13: Reviews of Accounts

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

While investment management accounts are monitored on an ongoing basis, PVI's investment adviser representatives seek to have at least one annual meeting with each client to conduct a formal review of the clients' accounts. Accounts are reviewed for consistency with the investment strategy and other parameters set forth for the account and to determine if any adjustments need to be made.

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

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

C. Content and Frequency of Regular Reports Provided to Clients

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

Item 14: Client Referrals and Other Compensation

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

As referenced in Item 12 above, PVI may receive an indirect economic benefit from Schwab, and Interactive Brokers. PVI, without cost (and/or at a discount), may receive support services and/or products from Schwab and Interactive Brokers or from third parties contracted by Schwab and Interactive Brokers. PVI's clients do not pay more for investment transactions effected and/or assets maintained at Schwab and Interactive Brokers as a result of this arrangement. There is no corresponding commitment made by PVI to Schwab and Interactive Brokers or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement. Also, any benefits received by PVI from Schwab and Interactive Brokers do not depend on the amount of brokerage transactions directed to Schwab and Interactive Brokers.

B. Compensation to Non – Advisory Personnel for Client Referrals

PVI has arrangements in place with certain third parties, called promoters, under which such promoters refer clients to us in exchange for a percentage of the advisory fees we collect from such referred clients. Such compensation creates an incentive for the promoters to refer clients to us, which is a

conflict of interest for the promoters. Rule 206(4)-1 of the Advisers Act addresses this conflict of interest by, among other things, requiring disclosure of whether the promoter is a client or a non-client and a description of the material conflicts of interest and material terms of the compensation arrangement with the promoter. Accordingly, we require promoters to disclose to referred clients, in writing: whether the promoter is a client or a non-client; that the promoter will be compensated for the referral; the material conflicts of interest arising from the relationship and/or compensation arrangement; and the material terms of the compensation arrangement, including a description of the compensation to be provided for the referral.

Item 15: Custody

When advisory fees are deducted directly from client accounts at client's custodian, PVI will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Custody is also disclosed in Form ADV because PVI has authority to transfer money from client account(s), which constitutes a standing letter of authorization (SLOA). Accordingly, PVI will follow the safeguards specified by the SEC rather than undergo an annual audit.

Item 16: Investment Discretion

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

Item 17: Voting Client Securities (Proxy Voting)

PVI does not accept the authority to and does not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for all and any securities maintained in client portfolios.

Item 18: Financial Information

A. Balance Sheet

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

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

PVI is unaware of any financial condition that is reasonable likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client assets; and

C. Bankruptcy Petitions in Previous Ten Years

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