



CapVisor Associates, LLC



The Insurance Asset Management Specialists

Disclosure Brochure

(Part 2A of Form ADV)

CapVisor Associates, LLC

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This Brochure provides information about the qualifications and business practices of CapVisor Associates and its Principal, Carl E. Terzer. If you have any questions about the contents of this Brochure, please contact us at (973)665-6370 or susan.levy@capvisorassociates.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 CapVisor is available on the SEC's website at www.advisorinfo.sec.gov.

March 2024

Material Changes

On January 22, 2016 pursuant to O.C.G.A. section 14-11-212, CapVisor Associates, LLC a New Jersey Limited Liability Company, had executed a certificate of conversion to convert from a Foreign Limited Liability Company to a Georgia Limited Liability Company.

In compliance with these SEC rules, clients will receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our businesses fiscal year. Our current Brochure may be requested by contacting Susan Levy, compliance officer, at 973-665-6370 or susan.levy@capvisorassociates.com. Our Brochure is also available at our website: www.capvisorassociates.com.

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Advisory Business

Firm Description

CapVisor Associates, LLC ("CapVisor") is an investment advisory firm specializing in serving the needs of the insurance industry. We provide highly customized insurance asset management solutions including investment strategy design, strategic asset allocation analysis, asset liability management, tactical portfolio optimization, investment management firm selection and manager review and performance analysis. CapVisor has been in operation since November 2008. Carl E Terzer, is principal, founder and owner.

Carl E Terzer

Date of birth: November 17, 1958

Educational background:

Rutgers College, Rutgers University; B.S. in Business
Administration and Economics, 1980

Business experience:

| | |
|-----------------|--|
| 2008 - Present: | Principal and Founder of CapVisor Associates, LLC |
| 2006-2008: | Director of the Principal Global Investors (PGI) Insurance Advisory Group |
| | PGI is a division of Principal Financial Group, Des Moines, Iowa |
| 1999 -2006: | Senior Vice President and Director of the Brown Brothers Harriman Insurance Asset Management Group |
| 1996 -1998 | Managing Director, Bankers Trust Company Insurance Asset Management Group |

Disciplinary information: none

Other business activities: none

Advisory Services

CapVisor provides investment advisory services to the insurance industry and private clients. These services include:

1. **Investment Advisory /Consulting** - provide investment plan design/revision (investment policy statement, guidelines, benchmarks, etc.), strategic allocation analysis, tactical portfolio construction and rebalancing

advice, implementation and ongoing monitoring of investment programs. In this capacity, CapVisor functions much like a Rent- a-CIO.

2. **Investment Advisory/Manager Selection** - align unique client requirements with best-in-class insurance asset managers to improve investment results through CapVisor's proprietary, multi-manager network.

Unbiased plan implementation and ongoing maintenance of client investment programs are key attributes of each service above.

3. **Project Work** - includes strategic asset allocation studies, tactical portfolio optimizations, peer group analysis, trustee/custodian vendor analysis, etc.

4. **Private Client Consulting** - CapVisor also works with private clients/individuals that are **accredited/qualified investors** as defined in the Securities Act of 1933 and defined in Regulation D. (requiring an annual income of at least \$200,000 in each of the past two years (\$300,000 for joint income) or a net worth of at least \$1 million). Our services are restricted to provide "advice-only" and our relationship is Non-discretionary. At no time will CapVisor make decisions on behalf of clients or take control over client assets for trading, safekeeping or other purposes. Our services will be restricted to evaluating investment choices for clients and providing research and recommendations of several alternative choices for the client's decision and action (execution of strategies, trades and cash movements).

Client Customization

All services are tailored to the unique requirements of each client. Correlating appropriate investment strategies to the insurer's liabilities (asset/liability management), their business and investment objectives and risk tolerance are key components of our approach to insurance asset management. We have over 100 years of collective experience working with insurers and have honed our expertise in designing, implementing and monitoring investment programs that are highly customized and constrained by each client's unique tax, accounting and regulatory situation.

As of March 31, 2024, CapVisor provides advisory services for over \$ 587,451,446 insurance client assets on a non-discretionary basis. CapVisor does not manage assets on a discretionary basis nor does it manage client assets internally. After an in-depth evaluation of the insurance company client, including interviews with their executive management, we will recommend appropriate external investment management firms to clients to manage their securities portfolios.

Fees and Compensation

CapVisor is compensated in the following manner for our services:

1. Investment Advisory /Consulting

| | | |
|--|----|--------------|
| First five million dollars of market value | 25 | basis points |
| Next five million dollars of market value | 20 | basis points |
| Next five million dollars of market value | 15 | basis points |
| Next \$10,000,000 of market value | 12 | basis points |
| Next \$25,000,000 of market value | 10 | basis points |
| Excess | 5 | basis points |

Minimum annual fee equals \$10,000. Fees may become negotiable at larger market values.

2. Investment Advisory/Manager Selection –

There is no fee to CapVisor clients for this service. CapVisor is compensated by the external investment management firm selected by our client, at a rate of 40% of the management firm's revenue earned from our client's relationship. Transparency of CapVisor revenue is fully disclosed to all parties, in accordance with the provisions of Rule 206(4)-1, as promulgated under the Investment Advisers Act of 1940.

3. Project Work –

Fees for these services are quoted based on the project's parameters.

4. Private Client –

| Fee schedule: | Bracket (\$000s) | % | Fee on breakpoint (\$s) | Cumulative Assets (\$000s) |
|---------------|------------------|--------|-------------------------|----------------------------|
| first | 1,000 | 0.750% | \$ 7,500 | 1,000 |
| next | 250 | 0.700% | 9,250 | 1,250 |
| next | 250 | 0.650% | 10,875 | 1,500 |
| next | 500 | 0.600% | 13,875 | 2,000 |
| next | 1,500 | 0.600% | 22,875 | 3,500 |
| next | 1,500 | 0.500% | 30,375 | 5,000 |

CapVisor does not buy or sell securities (portfolio management) for our clients. The external investment management firm selected by our clients to provide portfolio management services will directly bill our clients for their services. CapVisor does not provide trust or custody services. Trustee and/or custodian fees may or may not be

included in the external investment management firm's fee, depending on the manager selected by the client. CapVisor does not provide brokerage services. Brokerage or other transaction costs are included in the external investment manager's fee.

CapVisor generally bills client fees quarterly, in arrears.

Performance-based Fees and Side-by-Side Management

Not applicable -

Types of Clients

CapVisor provides investment advisory services to insurance companies, alternative risk insurance vehicles (captives, risk retention groups, etc.) self- insurance funds or Reg 114 reinsurance trusts. CapVisor also provides investment advisory services to private clients.

Methods of Analysis, Investment Strategies and Risk of Loss

CapVisor may use either internally developed or licensed external vendor software for proposing strategic asset allocations. This software allows various economic scenarios, of varying degrees of risk, to be applied to our analysis. These risks scenarios are discussed with clients and mutually agreed upon.

For tactical portfolio allocation advice, CapVisor's approach begins with a thorough company evaluation including each client's unique investment objectives and risk tolerance. Specifically, this evaluation minimally involves an examination of their balance sheet, income statements, and actuarial reports including claims payout patterns, cash flows and liability durations by line of business. This information enables us to design a portfolio construction process reflective of the client's insurance liabilities,

risk/reward parameters, with consideration of constraints related to the client's tax, accounting and regulatory circumstances. Fixed income security type/sectors risks, as well as equity and alternative investment asset class and style risks are described fully to clients. Clients will also receive peer group analysis information to help guide their decisions concerning their ability to bear investment risk. CapVisor often works with network manager(s)' analytic packages to test the suitability of various portfolio allocations for our clients and to identify risk/reward trade-offs.

CapVisor does not recommend, nor do we buy or sell individual securities or other Investment products for clients.

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of CapVisor or the integrity of CapVisor's management. Neither CapVisor, Carl E Terzer, Principal, nor any other associate has had any legal or disciplinary events or other information applicable to this item.

Other Financial Industry Activities and Affiliations

Carl E Terzer serves on the board of directors of the Captive Insurance Council of the District of Columbia. He serves as a member of the Board of Directors of ICCIE the International Center for Captive Insurance Education. Neither CapVisor nor its associates have any other Financial Industry Activities or Affiliations.

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

CapVisor Associates has adopted a code of ethics pursuant to SEC rule 204 A-1. We provide a copy of the CapVisor's code of ethics to any client or prospective client upon request.

CapVisor holds itself to the highest standards of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at CapVisor must acknowledge the terms of the Code of

Ethics annually, or as amended.

Brokerage Practices

Not applicable - CapVisor does not recommend or select Broker-Dealers for client transactions

Review of Accounts

Client accounts are reviewed on a quarterly basis, or on a more frequent basis, by Carl E. Terzer, Principal and/or other associates assigned to client accounts. Specific factors for more frequent reviews may include market volatility or changes to our clients' situation. Client reports may be customized to meet each client's needs. These reports usually summarize progress toward client-defined investment objectives, investment return analyses, overall evaluation of external investment manager performance, economic review and outlook, implications for anticipated market conditions on client portfolios, etc. Many client reports are verbally presented to Executive Management, the Investment Committee or the Board of Directors.

Client Referrals and Other Compensation

Incoming referrals

CapVisor has built a strong reputation in the insurance asset management business, and as such, receives many client referrals from clients, business associates and industry intermediaries. These intermediaries may include accountants, attorneys, actuaries, consultants, captive managers and others. CapVisor does not compensate referring parties for these referrals.

Outgoing referrals

Investment Advisory/Consulting clients - CapVisor receives no compensation from any third-party vendors that it may recommend to clients.

Investment Advisory/Manager Search clients - CapVisor will introduce third party investment managers appropriate to manage securities portfolios for our clients. CapVisor receives 40% of revenues from client-selected Investment managers participating in CapVisor's proprietary manager network. This compensation is for client introduction and ongoing client relationship management /account maintenance.

All managers participating in our proprietary network compensate CapVisor at the same level (40% of revenue). This eliminates potential conflicts of interest in our ability to introduce and present managers in an independent and unbiased manner for selection

by our clients. All clients are aware, before the selection process begins, that CapVisor is compensated by the managers in accordance with Rule 206(4)-1 as promulgated under the Investment Adviser Act of 1940. Upon selection of their manager, clients sign the required compensation disclosure agreement (in accordance with Rule 206(4)-1) in triplicate with originals of this agreement provided to the Investment Manager, CapVisor and client files, respectively.

CapVisor does not receive any compensation from any third parties selected by clients except network investment management firms, as described above.

Other Compensation

CapVisor/Carl Terzer receives a stipend from ICCIE for teaching an Investment Basics for Captives course.

Custody

Not applicable - CapVisor does not provide custody of client assets. CapVisor does urge clients to reconcile their custodial and external investment manager reports.

Investment Discretion

Not applicable- CapVisor does not have discretion over client accounts.

Voting Client Securities

Not applicable - As a matter of firm policy and practice, CapVisor does not have any authority to and does not vote proxies on behalf of advisory clients. Clients, or their selected investment managers, retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

Financial Information

Not applicable - CapVisor has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

CapVisor does not require nor solicit payment from clients in advance. CapVisor bills clients quarterly in arrears.

Requirements for State-Registered Advisers

Not applicable - CapVisor is not and is not required to be a state registered adviser


CapVisor Associates, LLC
