

**FORM ADV Uniform Application for Investment Adviser Registration  
Part 2A: Investment Adviser Brochure  
Item 1: Cover Page**

# **Valcour Capital Management LLC**

**SEC File # 801-71699  
CRD # 154057**

201 Broad Street, 8<sup>th</sup> Floor  
Stamford, CT 06901  
Phone: (203) 567-6400  
Fax: (203) 316-9123

**Issue date: March 3, 2014**

*This brochure provides information about the qualifications and business practices of Valcour Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at the phone number listed above.*

*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. Please note, where this brochure may use the terms “registered investment adviser” and/or “registered”, registration itself does not imply a certain level of skill or training.*

*Additional information about the firm and its representatives is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)*

## Item 2: Material Changes

Due to a series of recent changes in securities regulation, investment advisers are now required to deliver disclosure information in this new narrative format (“Form ADV Part 2”). This brochure incorporates the same features and information provided previously within the Form ADV Part II.

Updates to the information contained within this brochure will be provided to clients on an immediate basis. This section will be updated to reflect such changes in a summary form. Should you have any questions related to these disclosures, please contact a firm representative at your convenience.

Additional information about Valcour Capital Management LLC and its representatives is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

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#### **Item 4: Advisory Business**

Valcour Capital Management LLC ("VCM") provides fee-based investment management to pooled investment vehicles. VCM's primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. The firm uses exchange listed securities, over-the-counter securities, foreign securities, corporate debt securities, municipal securities, United States government securities, mortgage and asset-backed securities, structured products, and options contracts on securities to accomplish this objective. The firm may redistribute investment allocations to diversify the portfolio in an effort to reduce risk and increase performance.

VCM may utilize specific securities to increase sector weighting and/or dividend/yield potential. VCM may employ cash positions as a possible hedge against market movement which may adversely affect the portfolio. VCM may sell positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, over-valuation or overweighting of the position(s) in the portfolio, and/or change in risk tolerance.

**Assets Under Management:** As of the date of this filing, VCM manages \$626,000,000.00 in 1 private fund account and 2 collateralized loan obligations. This information was compiled within 90 days from the date of this brochure.

#### **Item 5: Fees and Compensation**

Pursuant to an investment advisory agreement, VCM charges a monthly management fee in arrears, based on the amount of the assets managed by the firm as of the opening of business on the last business day of each month. Fees are prorated for such accounts beginning on any date other than the monthly start date. The fee, charged at 1.5% of assets under management on an annual basis, is negotiable, but under unusual circumstances and at the sole discretion of the firm. Per written agreement/authorization, management fees will be automatically deducted from accounts on a monthly basis by the custodian of record in accordance with the client authorization in the investment advisory agreement.

**Fee Calculation:** The fee described above is calculated monthly at the rate of 0.125% based upon a percentage of the total assets under management, including money market balances. VCM does not charge any fees in advance. Fees are invoiced in arrears at the end of each calendar month based upon the value (market value or fair market value in the absence of market value). All fees paid to VCM for investment advisory services are

separate and distinct from the fees and expenses charged by the custodian or executing brokers.

**Termination of Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The performance fee will be charged as of the date of termination. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement. An advisory agreement with VCM is non-transferable without the client/investor's written approval.

#### **Item 6: Performance-based fees and Side-by-Side Management**

Qualified investors, as defined under Rule 205-3 of the Investment Advisers Act of 1940, may enter into advisory agreements where VCM is entitled to a performance fee as part or all of its compensation. Qualified investors must meet the following requirements: (a) have at least \$750,000 in under management with the firm; or (b) have a net worth of at least \$1,500,000 in order to enter into performance based compensation agreements with the firm. Suitability will be determined through the use of a detailed suitability questionnaire and follow up due diligence inquiries.

VCM may receive such a performance fee based upon any gains (both realized & unrealized) obtained in the Qualified investor's account for the calendar year. This fee will be equal to 20% of any gains in the account during that period. The Performance Fee is assessed and paid annually, net of management fees and only upon the declaration of a cash dividend to investors.

VCM, at its sole discretion, may reject any application where the above financial standards are not met and/or where it reasonably believes the investor lacks the necessary financial sophistication, those who purport to not fully understand VCM's method of compensation and the nature of its risks, or those who are otherwise deemed to be unsuitable for such an arrangement.

Where advisers manage private funds in addition to portfolio management services, the potential for a conflict of interest is magnified, particularly where the firm may have an incentive to favor those accounts charged a performance fee.

At this time, VCM manages 1 private fund and 1 collateralized loan obligation. Therefore, side-by-side management is applicable. However, the investment programs for each fund differ significantly, thereby minimizing potential conflicts.

## **Item 7: Types of Clients**

VCM provides investment advisory services predominately to pooled investment vehicles (i.e. hedge funds), and collateralized loan obligations.

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

VCM performs a detailed fundamental analysis of securities offerings and the market overall. Fundamental analysis is a general assessment based upon various factors including sale price, asset value, market structure, and history. VCM may invest in equity securities, corporate debt, municipal securities, U.S. government securities, options, mortgage securities, asset-backed securities, and structured products.

The main sources of research information used by VCM include: financial newspapers and magazines, inspections of corporate activity, research materials prepared by others, corporate rating services, annual reports, prospectuses and filings with the United States Securities and Exchange Commission, and company press releases.

VCM utilizes the following investment strategies in its investment advisory business: long-term purchases (securities held longer than one year), short-term purchases (securities sold within a year), short-term trading (buying and selling securities within 30 days), short sales, margin trading, option writing (including covered options, uncovered options, or spreading).

**Risk of Loss:** Investing in securities involves a certain amount of risk of loss that clients should be prepared to bear. Where short term trading methods are employed, the cost of more frequent trades can often incur more expense than that of a more conservative or long term purchase approach. Questions regarding these risks and/or increased costs may be directed to the firm and its representatives.

## **Item 9: Disciplinary Information**

As indicated in within the firm's Form ADV Part 1, Item 11E(2) (see the SEC's Investment Adviser Public Disclosure (IAPD) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)), a Disclosure Reporting Page (DRP) has been filed for adviser affiliate, George Marshman (CRD # 2170808) covering his employment with another firm prior to joining VCM. Further detailed information about this event may be obtained through FINRA's *Brokercheck* website at <http://brokercheck.finra.org/Search/Search.aspx>.

In addition, a DRP has also been filed for adviser affiliate Joseph Schlim (CRD #2502404) covering his employment with another firm prior to joining VCM. Further detailed information about this event may be obtained through FINRA's *Brokercheck* website at <http://brokercheck.finra.org/Search/Search.aspx>.

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

None.

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

As required by Rule 204A-1 of the Investment Advisers Act of 1940, VCM has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the firm. The Code of Ethics describes the firm's fiduciary duties and obligations to clients, and sets forth its practice of supervising the personal securities transactions of those employees who maintain access to client information.

VCM and/or its representatives may from time to time purchase or sell investments for their personal accounts that they similarly recommend to clients. While VCM endeavors at all times to put the interests of its clients first as part of its fiduciary duty, clients should be aware that personal trading and the implementation of a performance fee creates the potential for a conflict of interest, and can affect the judgment of the individual making the recommendation.

VCM collects and maintains records of securities holdings and securities transactions made by employees (both client related and personal) to identify and resolve any potential conflicts of interest. A copy of the firm's Code of Ethics will be provided to any client upon request.

#### **Item 12: Brokerage Practices**

As an investment adviser, VCM has a fiduciary duty to seek best execution for client transactions. Best execution is a collective consideration of factors concerning the trade in question. Such factors include:

- the security being traded,
- the price of the trade,
- the speed of the execution,
- apparent conditions in the market,
- And the specific needs of the client.

VCM's primary objectives when placing orders for the purchase and sale of securities for accounts is to obtain the most favorable net results taking into consideration these factors.

VCM may utilize multiple broker-dealers through the prime brokerage services of Credit Suisse. Broker-Dealers are selected based on the following:

- the broker's capital depth,
- the broker's market access,
- the broker's transaction confirmation and account statement practices,
- our knowledge of negotiated commission rates and spreads currently made available,
- the nature and character of the markets for the security to be purchased or sold,
- the execution,
- clearance and settlement capabilities of the broker selected and others considered,
- our knowledge of any actual or apparent operational problems of a broker,
- the reasonableness of the commission or its equivalent for the specific transaction

Based on the above criteria, VCM may not necessarily pay the lowest commission or commission equivalent as specific transactions may involve specialized services on the part of the broker. This would justify higher commissions (or their equivalent) than other transactions requiring routine services. However, VCM will negotiate the brokerage commission(s) paid on all securities transactions executed on behalf of client/fund accounts.

Where VCM manages private funds, the firm may utilize the brokerage services of multiple broker-dealers to achieve/obtain best performance, execution, and research. Due to the necessity for such services, VCM may pay higher costs for transactions than might be achieved through another broker-dealer.

### **Item 13: Review of Accounts**

Accounts are monitored on an ongoing basis by George Marshman and Joseph Schlim. More immediate review may be made where the following factors have been identified: change in investment objective/strategy, change in market condition, and any other activity that would present cause for more in-depth review.

Clients/investors receive written statements no less than quarterly from applicable custodians. In addition, clients receive VCM's monthly net-asset-value statements and quarterly letters with commentary on performance, strategy, and future outlook.

Clients are encouraged to contact the firm immediately with any changes to their financial situation as such changes may impact the status of their financial plan or investment account(s).

#### **Item 14: Client Referrals and Other Compensation**

On occasion, VCM may utilize the services of third party individuals and/or unaffiliated firms to find new investors and other business opportunities. In consideration for such referrals, VCM may compensate the third party with a percentage of the firm's management fee. The firm is aware of the special considerations promulgated under Rule 206(4)-3 of the Investment Advisers Act of 1940 and similar state regulations. As such, an appropriate disclosure shall be made, and the firm will maintain all written instruments, and all applicable Federal and/or State laws will be observed.

#### **Item 15: Custody**

Other than the client authorized direct deduction of fees from accounts held by a qualified custodian, VCM does not maintain or accept custody of client funds or securities.

#### **Item 16: Investment Discretion**

VCM maintains full discretionary authority over managed accounts. Clients acknowledge investment discretion in the Investment Advisory Agreement which contains all applicable limitations to such authority. The Investment Advisory Agreement provides VCM with the discretion to determine the amount and type of securities to be purchased and/or sold, the brokers or dealers to be used, and the commission rates paid to said brokers/dealers. All discretionary trades made by VCM will be in accordance with each client's investment objectives and goals.

#### **Item 17: Voting Client Securities**

Due to the nature of the securities that VCM typically invests in (i.e. structured products and mortgage securities), the firm anticipates that few, if any, proxies will be received. However, VCM has adopted and implemented written Proxy Voting Policies and Procedures ("Proxy Voting Procedures") which are designed to reasonably ensure that VCM votes such proxies in the best interest of its clients/fund investors where the firm has voting authority.

The Proxy Voting Procedures describe how VCM addresses voting authority, material conflicts of interest, voting decisions, notification to the client/investor, books and



records requirements, etc. and ensures that proxies are voted in the best interest of its clients and fund investors.

VCM acknowledges and agrees that it has a fiduciary obligation to its clients and investors to ensure that any proxies for which it has voting authority are voted solely in the best interests and for the exclusive benefit of its clients/investors. The Proxy Voting Procedures are intended to guide VCM and its personnel in ensuring that proxies are voted in such manner without limiting VCM or its personnel in specific situations to vote in a predetermined manner. These policies are designed to assist VCM in identifying and resolving any conflicts of interest it may have in voting client/investor proxies.

A copy of VCM's Proxy Voting Policies and Procedures may be obtained by contacting the firm directly.

## **Item 18: Financial Information**

Under Rule 206(4)-4 of the Investment Advisers Act of 1940, investment advisers are required to disclose certain financial information about their business practices that might serve as material to a client's decision in choosing an investment adviser.

As of the date of this filing, VCM does not require the pre-payment of any fees or maintain any financial hardships or other conditions that might impair its ability to meet its contractual obligations to clients.

## **Additional Information**

### **Privacy Policy:**

VCM never discloses the non-public personal information collected about its clients/investors to anyone except in furtherance of our business relationship, and then only to those persons necessary to effect the transactions and provide the services that the client/investor authorize (such as broker-dealers, custodians, investment managers etc.) or as otherwise provided by law.

### **Business Continuity Plan:**

A copy of VCM's Business Continuity Plan Disclosure Document is available at any time upon request.