

## Form ADV Part 2A: Firm Brochure

### Item 1 – Cover Page

#### **Curve Asset Management LLC**

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This brochure provides information about the qualifications and business practices of Curve Asset Management LLC (also referred to as we and us throughout this brochure). If you have any questions about the contents of this brochure, please contact either Michael Rosenbaum @ (415) 203-1155 or [mrosenbaum@curveam.com](mailto:mrosenbaum@curveam.com) or Barry Steinman @ (267) 688-7825 or [bsteinman@curveam.com](mailto:bsteinman@curveam.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 Curve Asset Management LLC is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for Curve Asset Management LLC or our firm's CRD number 168797.

\*Registration as an investment adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

There have been no material changes to this disclosure brochure since filing our last Annual Amendment to this brochure in December 2014. We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. The fiscal year ends on December 31 so you will receive the summary of material changes, if any, no later than April 30 each year. At that time, we will also offer a copy of the most current disclosure brochure. We may provide other ongoing disclosure information about material changes as necessary.

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#### **Item 4 – Advisory Business**

Curve Asset Management LLC is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a limited liability company (LLC) formed under the laws of the State of Florida.

- Larry A. Domash is a Managing Member of Curve Asset Management, LLC. Larry A. Domash owns 100.00% of Curve Asset Management LLC.
- Curve Asset Management LLC filed first registered as an investment adviser in January 2014.

Curve Asset Management LLC is under common ownership and therefore affiliated with Curve Publishing and Global Credit Trading, LLC (“Curve Publishing”) which is the proprietary owner of the investment models executed by Curve Asset Management LLC. In addition, Curve Publishing provides the intellectual research and strategies utilized by our firm.

#### **Description of Advisory Services**

Curve Asset Management LLC offers asset management services, which involves Curve Asset Management LLC providing you with continuous and ongoing supervision over your specified accounts. Curve Asset Management LLC provides asset management services by developing and implementing global, bond trading investment strategies including corporate and government debt securities. Our investment process is not long term in nature and we focus on overnight risk. Accounts under our management are reviewed up to three times daily and reconciled at the end of each trading day. Our services are categorized into four offerings.

1. Curve Global Long/Short Credit Trading for Proprietary Trading Firms / Family offices / Hedge Funds
2. Curve Global Long/Short Credit Trading for Separately Managed Account (SMA) for Proprietary Trading Firms / Hedge Funds
3. Curve Global Long/Short Credit Trading Separately Managed Account (SMA) for Institutions / Individuals / Trading Firms / Hedge Funds
4. Curve Liquid Alternative Strategy. This is a “long only” interest rate hedged short term (up to 20 day holding period per investment), credit trading strategy. This approach focuses on the market impact of the new issue supply of credit to the largest, most liquid global issuers. The strategy is applicable to both leveraged and non-leveraged accounts, and can be run for clients as either a separately managed account, or, on the client’s in-house platform. The strategy can be tailored to meet the requirements of any investor mandate.

The first strategy is provided on assets held directly in a client’s proprietary account through its capital provider. This platform is conducive to Firms with pre-existing prime brokerage or clearing relationships. The second strategy is provided in accounts held at third-party qualified custodians in a separately managed account owned by the client. The third and fourth strategy of service is provided to extremely high-net worth individuals, families and also institutions. The investment process is designed for standard client investment strategies, but can also accommodate one-off and customized investment selections.

You must appoint our firm as your investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and

you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

The Account is managed by us based on your investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

Please understand that a written agreement, which details the exact terms of the service, must be signed by you and Curve Asset Management LLC before we can provide you the services described below.

**Limits Advice to Certain Types of Investments**

Curve Asset Management LLC specializes in developing and implementing investment and trading models focused on consistent, actionable bond trades. When providing asset management services we construct each client's account holdings using fixed income securities including foreign issued bonds and sovereign debt securities. Our investment advice, therefore, is generally limited to the following types of investments:

- Corporate Debt Securities
- Commercial Paper
- U.S. Government Securities
- Sovereign Debt Securities
- Foreign Issued Bonds

*(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

When managing client accounts through our firm's Asset Management Services program, we typically manage a client's account in accordance with one or more investment models. When client accounts are

managed using models, investment selections are based on the underlying model and we then develop customized (or individualized) portfolio weightings or holdings for each client depending on their risk tolerance. The determination to use a particular model or models is always based on each client's individual investment goals, objectives and mandates.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

**Client Assets Managed by Curve Asset Management LLC**

Curve Asset Management LLC has \$127,558,280 of assets under management to report as of March 17, 2016. The entire amount is managed on a discretionary basis.

**Curve Publishing Daily Trading Strategy**

Our asset management clients have the option to purchase a published product of the daily application of our global credit trading model. This is a daily report delivered electronically and tailored to investors and traders active in the global credit markets. The report is crafted to provide actionable daily trading recommendations, provide key credit market analysis, trading focused commentary on specific issuers and issues of the day, and provides an analysis of relevant company and economic data impacting credit markets.

**Item 5 – Fees and Compensation**

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and Curve Asset Management LLC.

***Asset Management Fee***

We assess an annual fee of up to 2.00% based on the amount of assets under management with a minimum annual fee of \$100,000. The annual fee is divided and billed in arrears (at the end of the billing period) on a monthly basis and calculated based on the fair market value of your account as of the last business day of the current billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of the billing period, then the prorated fee for that billing period will be billed in arrears at the end of that billing period.

***Performance Based Fees***

In addition to our annual management fee, we charge performance based fees tied to the capital appreciation (i.e. capital gains) within the account as evaluated at the end of each sixty day period in adherence with a high water mark (i.e., no performance based fee will be earned unless the Account's performance exceeds the previously achieved high water mark where performance based fees were charged). The high water mark will be used in order to prevent a scenario whereby we could receive a performance based fee merely for recouping prior losses. Any contribution of funds or securities to the Account will increase the high water mark by a corresponding amount, and any distributions of funds or securities from the Account will lower the high water mark by a corresponding amount.

The performance based fee will be payable each sixty day period, in arrears. Our minimum performance based fee arrangements are 20.00%, but will generally not exceed 40.00% of the capital appreciation attained within the client's account.

*Please refer to Item 6 of this brochure for more information.*

### **Termination of Services**

Asset management services continue in effect until terminated by either party. Either party may terminate the services by providing the other party with written notice of termination effective 30 days after the other party receives such notice. Because fees are billed in arrears, Curve Asset Management LLC will prorate the final fee payment based on the number of days services are provided during the final period. The amount of client assets on the termination date will be used to determine the final fee payment.

### **General Fee Information**

Fees charged for our asset management services are negotiable based on the type of client, the complexity of the client's situation, capital base, capital provider and account platform ownership or accounting structure. Therefore your exact fee and fee arrangements may be different than that described above. The exact fee arrangements for each client will be specified in that client's advisory services agreement with Curve Asset Management LLC.

Curve Asset Management LLC believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

You can choose how to pay your investment advisory fees. The investment advisory fees can be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account or you can pay our firm upon receipt of a billing notice sent directly to you.

If you choose to have the investment advisory fees deducted from your account, you must authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to Curve Asset Management LLC.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

If you choose to pay the fees after receiving a statement, fees are due upon your receipt of a billing notice sent directly to you. The billing notice will detail the formula used to calculate the fee, the assets under management and the time period covered. Fees for the services of our firm will be due immediately after your receipt of the billing notice.

Brokerage commissions and/or transaction ticket fees charged by the qualified custodian are billed directly to you by the qualified custodian. Curve Asset Management LLC does not receive any portion of such commissions or fees from you or the qualified custodian. In addition, you may incur certain charges imposed by third parties other than Curve Asset Management LLC in connection with investments made through your account.

### ***Curve Publishing Daily Trading Strategy***

The annual fee for our daily trading strategy report is \$100,000. The annual fee will be divided and paid quarterly, in advance. Quarterly fees are non-refundable if terminated mid-period. The fee will be due upon receipt of an invoice from Curve Asset Management LLC. This service is only provided to Asset Management Services clients.

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

As described above in *Item 5 – Fees and Compensation*, Curve Asset Management LLC charges clients a performance fee, which is based upon a share of capital gains or capital appreciation of the assets of such client. We also provide services and are compensated on asset based fees, which is based on the total amount of assets owned by the client.

The nature of a performance fee poses an opportunity for Curve Asset Management LLC to earn more compensation than under a stand-alone asset based fee. Consequently, Curve Asset Management LLC may favor performance fee accounts over those accounts where we receive only an asset based fee. One way Curve Asset Management LLC may favor performance fee accounts is that we may devote more time and attention to performance fee accounts than to accounts under an asset based fee arrangement.

There are other conflicts associated with performance fees that are not as common under an asset based fee arrangement. The nature of performance fees can encourage unnecessary speculation with client assets in order to earn or increase the amount of the fee. The result of riskier investments can have a positive effect in that results could equal higher returns when compared to an asset based fee account. On the other hand, riskier investments historically have a higher chance of losing value. Also, since in a performance fee arrangement an adviser is compensated based on capital gains or capital appreciation, these arrangements could give an investment adviser an incentive to time transactions in a client's account on the basis of fee considerations rather than on what is in the best interest of the client.

Performance fees can potentially cause an investment adviser to engage in transactions or strategies which will increase the amount of the performance fees, but which may not increase the overall performance of the client's account. For example, an account may lose value during a year and no performance fee will be earned. In the following year, Curve Asset Management LLC may receive a performance fee for simply recouping losses from the previous year. Curve Asset Management LLC controls for this potential conflict of interest by using the high-water mark fee calculation method described in the preceding paragraph. A performance fee may also encourage Curve Asset Management LLC to make riskier and more speculative investments. Curve Asset Management LLC does not represent that the amount of the performance fees or the manner of calculating the performance fees is consistent with other performance related fees charged by other investment advisers under the same or similar circumstances. The performance fees charged by Curve Asset Management LLC may be higher than the performance fees charged by other investment advisers for the same or similar services.

Curve Asset Management LLC has established policies and procedures to address the various conflicts of interest associated with charging a performance fee:

- Client accounts eligible to be charged a performance based fee must reach a pre-determined and agreed upon high-water mark before the performance based fee is charged.
- Curve Asset Management LLC does not accept clients ineligible for a performance fee relationship.



Performance based fee arrangements of Curve Asset Management LLC will comply with Section 205(e) of the Investment Advisers Act of 1940. According to Section 205(e) (see Rule 205-3 thereunder), only natural individual clients meeting the SEC's definition of "qualified clients" may enter into agreements providing for performance based compensation to Curve Asset Management LLC. A natural person or company must meet the following conditions to be considered a qualified client:

- Have at least \$1,000,000 under management with Curve Asset Management LLC at the time the client enters into an agreement with Curve Asset Management LLC; **or**
- Provide documentation to Curve Asset Management LLC so that Curve Asset Management LLC will reasonably believe the client has either a net worth of \$2,000,000 or is a qualified purchaser under Section 2(a)(51)(A) of the Investment Company Act.

### **Item 7 – Types of Clients**

Curve Asset Management LLC generally provides investment advice to the following types of clients:

- High net worth individuals
- Pooled investment companies (e.g. hedge funds)
- Corporations and other institutional clients

You are required to execute a written agreement with Curve Asset Management LLC specifying the particular advisory services in order to establish a client arrangement with Curve Asset Management LLC.

### **Minimum Investment Amounts Required**

Curve Asset Management LLC requires a minimum of \$5,000,000 for levered accounts and \$10,000,000 for unlevered accounts.

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

#### **Methods of Analysis**

Curve Asset Management LLC uses the following methods of analysis in formulating investment advice:

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is

possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

Technical – This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

There are risks involved in using any analysis method.

### **Investment Strategies**

Curve Asset Management LLC uses the following investment strategies when managing client assets and/or providing investment advice:

Short term purchases. Investments sold within a year.

Frequent trading. This strategy refers to the practice of selling investments within 30 days of purchase.

Short sales. A short sale is generally the sale of a stock not owned by the investor. Investors who sell short believe the price of the stock will fall. If the price drops, the investor can buy the stock at the lower price and make a profit. If the price of the stock rises and the investor buys it back later at the higher price, the investor will incur a loss. Short sales require a margin account.

Margin transactions. When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest of the purchase price from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from Curve Asset Management LLC.

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- **Market Risk** – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- **Equity (stock) market risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- **Company Risk** - When investing in stock or bond positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- **Credit Risk** - When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- **Interest Rate Risk** - Marketable securities' prices (both stocks and bonds) will vacillate depending on the level of US Government bond prices or the overnight rate of interest provided on loans between the US Federal Reserve. Rising and falling interest rates will have a material effect on the value of securities held in any portfolio.
- **Management Risk** – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- **Margin Risk** - When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you intended to borrow funds in connection with your Account, you will be required to open a margin account, which will be carried by the clearing firm. The securities purchased in such an account are the clearing firm's collateral for its loan to you.

If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin account that may be established as part of the Asset Management Agreement established between you and Curve Asset Management LLC and held by the account custodian or clearing firm.

These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The account custodian or clearing firm can force the sale of securities or other assets in your account.
- The account custodian or clearing firm can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call.
- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities.
- The account custodian or clearing firm can increase its "house" maintenance margin requirements at any time and they are not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.

### **Item 9 – Disciplinary Information**

*Item 9* is not applicable to this Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

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

Curve Asset Management LLC is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment registered adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Brochure.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Code of Ethics Summary**

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Curve Asset Management LLC has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as “supervised persons”. All employees, officers, directors and investment adviser representatives are classified as supervised persons. Curve Asset Management LLC requires its supervised persons to consistently act in your best interest in all advisory activities. Curve Asset Management LLC imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm’s fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Curve Asset Management LLC. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

Curve Asset Management LLC or supervised persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of Curve Asset Management LLC that all persons associated in any manner with our firm must place clients’ interests ahead of their own when implementing personal investments. Curve Asset Management LLC and its supervised persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, supervised persons):

- Supervised persons cannot prefer their own interests to that of the client.
- Supervised persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Supervised persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Supervised persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”.
- Supervised persons are discouraged from conducting frequent personal trading.
- Supervised persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of Curve Asset Management LLC.

Any supervised person not observing our policies is subject to sanctions up to and including termination.

## Item 12 – Brokerage Practices

Clients can establish accounts at broker/dealers recommended by Curve Asset Management LLC. Please note that brokerage platforms we recommend may be more expensive than other available platforms and we do not represent or guarantee our recommended platforms are the least expensive in the industry.

Curve Asset Management LLC will periodically review alternative custodians and broker/dealers in the marketplace for comparison to the currently used broker/dealer-qualified custodian, evaluating criteria such as overall expertise, cost competitiveness, and financial condition. Quality of execution for custodians will be reviewed through trade journal evaluations. Curve Asset Management LLC also receives benefits that may not be received if the firm did not use the services of a firm recommended broker/dealer to implement the investment advice provided. These benefits include, but will not necessarily be limited to: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; and receipt of compliance publications. No single criteria will validate nor invalidate a custodian or service provided used, but rather, all criteria taken together will be used in evaluating the currently utilized custodian. The use of a recommended broker/dealer is not influenced by any soft dollar services or benefits provided to Curve Asset Management LLC. Further, we do not receive referrals from any broker/dealers.

Best execution is a commitment we take seriously. This concept does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back office services, technology and pricing of services offered.

### **Directed Brokerage**

Clients are allowed to select the broker-dealer that will be used for their accounts. Clients directing the use of a particular broker/dealer or other custodian must understand that we may not be able to obtain the best prices and execution for the transaction. Under a client-directed brokerage arrangement, clients may receive less favorable prices than would otherwise be the case if the client had not designated a particular broker/dealer or custodian. Directed brokerage account trades are generally placed by Curve Asset Management LLC after effecting trades for other clients of Curve Asset Management LLC. In the event that a client directs Curve Asset Management LLC to use a particular broker or dealer, Curve Asset Management LLC may not be authorized to negotiate commissions and may be unable to obtain volume

discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct Curve Asset Management LLC to use a particular broker or dealer versus clients who do not direct the use of a particular broker or dealer.

### **Soft Dollar Benefits**

An investment adviser receives soft dollar benefits from a broker-dealer when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer.

Curve Asset Management LLC does not have a soft dollar agreement with a broker-dealer or a third-party.

### **Block Trading Policy**

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when Curve Asset Management LLC believes such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

Curve Asset Management LLC uses the average price allocation method for transaction allocation.

Under this procedure Curve Asset Management LLC will calculate the average price and transaction charges for each transaction included in a block order and assign the average price and transaction charge to each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which Curve Asset Management LLC or our supervised persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our supervised persons receive any additional compensation as a result of block trades.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

Managed accounts are reviewed daily. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by Larry Domash, with reviews performed in accordance with your investment goals and objectives.

### **Statements and Reports**

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements directly from the qualified custodian. Additionally, Curve Asset Management LLC may provide position or performance reports to you daily and monthly as requested.

You are encouraged to always compare any reports or statements provided by us against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

## Item 14 – Client Referrals and Other Compensation

Curve Asset Management LLC may enter into agreements with outside (i.e. unaffiliated), third parties (Referring Parties) to refer clients to Curve Asset Management LLC. If a referred client enters into an investment advisory agreement with Curve Asset Management LLC, a referral fee is paid to the Referring Party, which is based upon a percentage of the client advisory fees that are generated. The referral agreements between any Referring Party and Curve Asset Management LLC will not result in any charges to clients in addition to the normal level of advisory fees charged.

When a client is referred to us by a Referring Party, the Referring Party provides the client with a copy of our Brochure as required by the *Investment Advisers Act of 1940*. The client also will complete a Solicitor's Disclosure Statement document. If the Referring Party is an unaffiliated registered investment adviser firm, then the client will also receive a copy of the referring party's Form ADV Part 2 Brochure.

The referral agreements between Curve Asset Management LLC and referring parties are in compliance with state and federal securities rules regarding paid solicitor arrangements.

The only compensation received from advisory services is the fees charged for providing investment advisory services as described in *Item 5* of this Disclosure Brochure. We receive no other forms of compensation in connection with providing investment advice. *Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices, for additional discussion concerning other compensation.*

## Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

Curve Asset Management LLC is deemed to have custody of client funds and securities whenever Curve Asset Management LLC is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Curve Asset Management LLC will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Curve Asset Management LLC is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Curve Asset Management LLC. When clients have questions about their account statements, they should contact Curve Asset Management LLC or the qualified custodian preparing the statement.

## Item 16 – Investment Discretion

When providing asset management services, Curve Asset Management LLC maintains trading authorization over your Account and can provide management services on a **discretionary** basis. When



discretionary authority is granted, we will have the authority to determine the type of securities, the amount of securities that can be bought or sold, the broker or dealer to be used and the commission rates paid for your portfolio without obtaining your consent for each transaction.

#### **Item 17 – Voting Client Securities**

Curve Asset Management LLC does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided.

#### **Item 18 – Financial Information**

This *Item 18* is not applicable to this brochure. Curve Asset Management LLC does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Curve Asset Management LLC has not been the subject of a bankruptcy petition at any time.

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