

## Item 1 – Cover Page



**RELATIVE VALUE PARTNERS GROUP, LLC**

**FORM ADV PART 2A  
BROCHURE**

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Northbrook, Illinois 60062**

**<http://www.rvpllc.com>**

**This brochure provides information about the qualifications and business practices of Relative Value Partners Group, LLC. If you have any questions about the contents of this brochure, please contact Catherine Goel at (847) 513-6300 and at [cgoel@rvpllc.com](mailto:cgoel@rvpllc.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 Relative Value Partners Group, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD is 281067.**

**Relative Value Partners Group, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## Item 2 - Summary of Material Changes

There are no material changes.

### Item 3 - Table of Contents

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#### Item 4 - Advisory Business

Relative Value Partners Group, LLC (CRD #281067), succeeded to the advisory business of its predecessor Relative Value Partners, LLC (CRD #131636 / SEC # 801-63577) as of July 1, 2015, and will do business under the name of Relative Value Partners, LLC. The predecessor's advisory business was founded on September 29, 2004.

The advisory services and management of RVP remain the same; however, the successor application reflects new ownership by Focus Operating, LLC. Relative Value Partners Group, LLC is a wholly-owned subsidiary of Focus Operating, LLC, which is a wholly-owned subsidiary of Focus Financial Partners, LLC, a Delaware limited liability company ("Focus"), [www.focusfinancialpartners.com](http://www.focusfinancialpartners.com).

RVP Management LLC provides management, supervision, oversight and operational support services to RVP, pursuant to a Management Agreement between Focus and RVP Management LLC. The primary management team of RVP Management LLC includes Robert H Huffman III, Maury L. Fertig, Gregory K. Neer and Catherine C. Goel who are executive officers of RVP.

RVP is an SEC registered investment adviser providing discretionary investment management services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities. RVP, depending upon the engagement, offers its services on a fee basis which may include fees based upon assets under management. RVP also acts as a sub-adviser to third party money managers' client accounts and is paid a portion of the management fee for such services.

All individuals that render investment advisory services on behalf of RVP must have earned a college degree and/or have substantive investment-related experience. In addition, all such individuals shall have attained all required investment-related licenses and/or designations.

RVP offers advice on equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, mutual fund shares, United States government securities, options contracts on securities and commodities, as well as Auction Rate Preferred securities. However, RVP intends to primarily allocate its client's investment management assets, on a discretionary basis among exchange traded funds (ETFs), closed-end funds and individual debt, equity and preferred securities in accordance with the investment objectives of the client.

RVP may also provide advice about any type of investment held in a client's portfolio at the beginning of the advisory relationship. In addition, RVP advises on inverse ETFs

which are leveraged short funds that are designed to perform in an inverse relationship to certain market indices. Due to the leverage component of the ETFs, there may be additional risk to such investments.

Once the client has engaged RVP, RVP and the client together decide on an appropriate investment strategy which fits with the client's risk tolerance. RVP will determine the suitable strategy of clients' investments by the use of in-person meetings, phone conversations, an analysis of clients' financial information and the clients' own risk profile.

The chosen strategy will generally be either: Fixed Income, Equity, and Balanced between equity and fixed income, Absolute Return, Global Equity or Durable Income. The client then signs off on the established benchmark and associated risk. Clients may impose restrictions on certain securities or types of securities but RVP reserves the right to deny the request if RVP believes that the request will impede the investment strategy. Client requests of this nature will be addressed on a case by case basis.

To the extent that a client authorizes the use of margin, and margin is thereafter employed by RVP in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to RVP will be increased to reflect the margin and will be based on the total assets invested.

RVP's clients are advised to properly notify RVP if there are ever any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon RVP's management services.

RVP does not participate in wrap fee programs.

### **Assets under Management**

As of 12/31/15, RVP managed \$970,041,574 of client assets in a total of 841 individual accounts, all of which are managed on a discretionary basis.

## Item 5 - Fees and Compensation

Prior to engaging RVP to provide any of the foregoing investment advisory services, the client will be required to enter into one or more written agreements with RVP setting for the terms and conditions under which RVP shall render its services (collectively the "*Agreement*"). This Agreement sets for the fee the Client will pay, on an annual basis, to RVP for its money management services.

### Management Fees

If engaged, RVP shall charge an annual fee based upon a percentage of the market value of the assets being managed by RVP. The annual fee shall vary (between 0.50% and 1.50%) depending upon the market value of the assets under management, the type of investment management services to be rendered and any breakpoints. Generally, RVP's fee schedule is as follows:

Assets	Fixed Income	Balanced	Equity	Absolute Return	Global Equity	Durable Income
First \$1mm-3mm	0.75%	1.20%	1.25%	1.25%	1.50%	0.90%
Next \$7mm	0.65%	0.90%	1.00%	1.25%	1.25%	0.90%
Next \$15mm	0.50%	0.75%	0.85%	1.25%	1.10%	0.90%
Next \$25mm	0.50%	0.60%	0.75%	1.00%	1.00%	0.90%

RVP's annual fee shall be prorated and charged quarterly, in arrears, based upon the average daily market value of the assets over the quarter. RVP reserves the right to waive a client's fees and RVP's annual fee is negotiable. RVP will calculate and deduct the fee from the client's account at the end of each quarter. A client may request to be billed for the fees incurred but RVP reserves the right to deny this request. Requests will be addressed on a case by case basis.

RVP's *Agreement* and/or the separate agreement with the Custodian of Client Assets (*Financial Institution(s)*) may authorize RVP through the *Financial Institution(s)* to debit the

client's account for the amount of RVP's fee and to directly remit that management fee to RVP in accordance with applicable custody rules. The *Financial Institution(s)* recommended by RVP have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management of fees paid directly to RVP.

Fees may be waived for RVP employees.

### Transaction Costs

RVP's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client.

Clients may incur certain charges imposed by the *Financial Institution(s)* and other third parties such as custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), 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. Such charges, fees and commissions are exclusive of and in addition to RVP's fee. Please see the section of the Brochure that addresses Brokerage Practices for more information.

For the initial quarter of investment management services, the first quarter's fees shall be calculated on a *pro rata* basis. The *Agreement* between RVP and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. RVP's annual fee shall be prorated through the date of termination and any remaining balance shall be charged to the client, as appropriate, in a timely manner.

Additions may be in cash or securities provided that RVP reserves the right to liquidate any transferred securities, or decline to accept particular securities into a client's account. RVP may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

RVP's clients do not pay fees in advance.

Neither RVP nor any supervised person receives any compensation for the sale of securities or other investment products.

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

Neither RVP nor any of its supervised persons receive performance based fees.



## Item 7 - Types of Clients

RVP provides investment advice to individuals, trusts, pension plans, profit sharing plans, estates, charitable organizations, family offices, Registered Investment Advisors and corporations. As a condition for starting and maintaining a relationship, RVP shall generally impose a minimum portfolio size of \$1,000,000. RVP, in its sole discretion, may accept clients with smaller portfolios, based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, pre-existing client, account retention, and *pro bono* activities. RVP shall only accept clients with less than the minimum portfolio size if, in the sole opinion of RVP, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. RVP may aggregate the portfolios of family members to meet the minimum portfolio size.

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

RVP uses a variety of security analysis methods including: fundamentals, technical and cyclical factors. RVP obtains information from financial newspapers and magazines, research materials, annual reports, company filings and press releases. RVP primarily implements the investment strategy through long and short term purchases, but at times will also utilize trading (securities sold within 30 days). To a lesser extent, RVP may conduct short sales, option trades or invest on margin. RVP may sell short ETFs or buy inverse ETFs as a hedge in certain strategies. Investing in securities does have risks and investors may experience a loss.

### Risks

Investing in securities does carry risk and client's portfolios are exposed to equity risk, interest rate risk, credit risk and sovereign risk. Frequent trading of securities is a modest part of RVP's strategy and frequent trading does have increased brokerage costs and tax implications.

RVP primarily invests in individual debt, equity and preferred securities, as well as closed-end funds and ETFs. Closed-end funds and ETFs are exposed to the risks detailed above, but also carry the risk that the market price of the security deviates from the Net Asset Value of the security. Closed-end funds may use leverage which increases a fund's risk or volatility. Also, closed-end funds may be less liquid than other exchange traded securities. RVP also on occasion has purchased illiquid securities such as Auction Rate Preferreds on the secondary market and those have illiquidity risk.

In addition, all investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate).
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

### **Item 9 - Disciplinary Information**

Neither RVP nor any of its principals has any disciplinary information to report.

## Item 10 - Other Financial Industry Activities and Affiliations

### FOCUS OPERATING, LLC and FOCUS FINANCIAL PARTNERS, LLC

The Registrant is part of the Focus Financial Partners, LLC (“Focus”) network. As such, RVP is a wholly-owned subsidiary of Focus Operating, LLC (“Focus Operating”), which is a wholly-owned subsidiary of Focus. Focus also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, and other financial service firms (the “Focus Partners”). The Focus Partners provide wealth management, benefit and investment consulting services, serving individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds or limited liability companies as disclosed on their respective Form ADV, Schedule D.

For certain clients of Strategic Wealth Partners Group, LLC (“SWPG”), one of the Focus Partners, RVP provides investment sub-advisory services through a sub-advisory agreement. There are no requirements for SWPG to use RVP’s services in lieu of its own services for these clients, as the use of RVP’s sub-advisory services is entirely at the discretion of SWPG and is based entirely on SWPG’s judgment regarding the most effective and appropriate service for the subject client. RVP provides the same impartial advice to all clients' accounts and does not give deferential treatment or preference to clients of firms affiliated with Focus Partners.

RVP does not believe that the Focus relationships pose a material conflict to clients. The Focus Partner firms do not share client information amongst each other without prior client consent. The Principals of the other Focus Partner Firms are not involved in the management of RVP.

Additional information about Focus can be found at [www.focusfinancialpartners.com](http://www.focusfinancialpartners.com).

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

RVP has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). In accordance with Section 204A of the Advisers Act, its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by RVP or any of its associated persons. The *Code of Ethics* also requires that all of RVP's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Clients or prospective clients may contact RVP to request a copy of its *Code of Ethics*.

RVP or any related person does not recommend to clients, or buys or sells for client accounts, securities in which RVP or a related person has a material financial interest.

RVP and persons associated with RVP ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with RVP's policies and procedures. As of September 30, 2012, employees are prohibited from purchasing closed-end funds for their personal accounts that are not under RVP's discretion. Prior to September 30, 2012, RVP required pre-clearance of all closed-end fund purchases. RVP will continue to require pre-clearance of all closed-end fund sales in personal accounts. Pre-approval is granted based on an email to the Chief Compliance Officer (or the Chief Investment Officer or Chief Executive Officer in the CCO's absence). Effective August 2014, RVP employees must seek pre-clearance for any trades in Business Development Companies (BDCs), Mortgage REITs, Mortgage Finance Securities, Timber REITs and all Preferred securities. RVP began managing a new Durable Income Strategy that invests in these securities in June 2014 and took client money into the strategy in August. We therefore began monitoring and requesting pre-clearance of the more illiquid sectors of this strategy. Any other personal securities' trading is allowed without pre-approval. All other securities are deemed liquid enough that associated persons of RVP may buy and sell without pre-clearance. Alternately, if employees of RVP have accounts under discretion of RVP they may buy and sell securities at the same time as RVP's clients as detailed below.

Generally, RVP and its access persons will trade simultaneously with clients. Neither RVP

nor any access person of RVP shall receive preferential treatment in trading or receive a better price than the clients if done simultaneously.

## Item 12 - Brokerage Practices

Form ADV Part 2A, Item 12

### **Brokerage Practices Generally.**

In general, RVP recommends the use of Fidelity as custodian and broker-dealer for its clients' trades. Factors which RVP considers in recommending Fidelity or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research, and service. RVP has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides RVP with "institutional platform services." The institutional platform services include, among others, brokerage, custody and related services. Fidelity's institutional platform services that assist RVP in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

RVP is independently operated and owned and is not affiliated with Fidelity.

Fidelity generally does not charge its advisor clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity provides access to many no-load mutual funds without transactions charges and other no-load funds at nominal transaction charges. The commissions and/or transaction fees charged by Fidelity may be higher or lower than those charged by other broker-dealers.

Clients may incur transaction costs in addition to any commissions charged by the broker-dealer when securities traded over-the-counter are effected on their behalf through the broker-dealer on an agency basis. Broker custody of client assets may limit or eliminate RVP's ability to obtain best price and execution of transactions in over-the-counter securities.

The commissions paid by RVP's clients shall comply with RVP's duty to obtain "best



execution." However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where RVP determines, in good faith, that the commission is reasonable in relation to the value of the brokerage services received. 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 among others, the execution capability, commission rates, and responsiveness. Consistent with the foregoing, while RVP will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

#### A. Soft Dollar Benefits

Fidelity is providing RVP with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act"). Also, Fidelity makes a partial payment on behalf of RVP for a research provider. RVP has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides RVP with "institutional platform services." The institutional platform services include, among others, brokerage, custody and related services. Fidelity's institutional platform services that assist RVP in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

#### B. Brokerage for Client Referrals

RVP does not direct brokerage for client referrals.

#### C. Directed Brokerage

We direct clients to Fidelity Investments. In special circumstances, we allow the client to direct brokerage if there is a specific reason that Fidelity would not be beneficial for them. RVP reserves the right to decline a client based on a directed brokerage request and will evaluate all directed brokerage requests on a case by case basis.

#### D. Trade Aggregation.

RVP may "batch" client orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among RVP's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among RVP's clients pro rata to the purchase and sale orders placed for each client on any given day. Commission prices may vary due to volume of assets or method of receipt of trade confirmations. RVP will typically batch client orders at each respective custodian. In the instance where RVP needs to enter a trade at multiple custodians, RVP will randomly select the custodial order.

To the extent that RVP determines to aggregate client orders for the purchase or sale of securities, including securities in which RVP's Advisory Affiliate(s) may invest, RVP shall generally do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. RVP shall not receive any additional compensation or remuneration as a result of the aggregation.

In the event that RVP determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include:

- ❑ Restraints in the individual account;
- ❑ Market conditions;
- ❑ Existing position of the security, or a similar security, in the portfolio;
- ❑ Whether an account is new or an existing account;
- ❑ An account's position in the funding process;
- ❑ Percentage of security owned:
  - Percentage in municipals;
  - Percentage in levered funds;
  - Percentage in equity closed-end funds;
  - Percentage in fixed income closed-end funds;
  - Percentage in closed-end fund preferreds;
  - Percentage in covered call closed-end funds;
- ❑ Duration of portfolio;
- ❑ Credit Quality of portfolio;
- ❑ Beta of Portfolio;
- ❑ Percentage of cash;
- ❑ Interest rates; and
- ❑ Determination of the value of the securities (which securities are expensive and

which are cheap at the point in time where trade is executed.)

Specific instances may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash or to accounts that have the largest position; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the RVP may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; (vi) in case where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis; or (vii) allocations may be given to accounts with the largest cash positions in order to get them more invested.

### Trade Errors

In addition, RVP corrects all trade errors made through its Trade Error Account, except for those which resulted from an unsolicited trade made on behalf of the client. RVP shall be responsible for any losses in the account and Fidelity will contribute all gains to a charitable organization. In the instance that RVP cannot correct the trade error at what they deem is a reasonable price in the same day, RVP may move the remainder of the trade to an RVP proprietary account where they will correct the trade at their discretion. Client shall be responsible for any trade error which results from an unsolicited trade made on behalf of the client.

### **Item 13 - Review of Accounts**

RVP monitors client portfolios as part of an ongoing process. All investment advisory clients are encouraged to discuss their needs, goals and objectives with RVP and to keep RVP informed of any changes thereto.

RVP reviews client accounts only on a client request basis.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Upon request, clients may also receive a report from RVP that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis.

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

### **Receipt of Benefits**

RVP may receive from Fidelity, without cost to RVP, computer software and related systems support, which allow RVP to better monitor client accounts maintained at Fidelity. RVP may receive the software and related support without cost because RVP renders investment management services to clients that, in the aggregate, maintain a certain level of assets at Fidelity. RVP may also receive a discount from certain service providers due to RVP's relationship with Fidelity. Fidelity may also make a partial payment for a research provider on behalf of RVP.

Specifically, RVP may receive the following benefits from Fidelity through the Fidelity Registered Investment Advisor Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Advisor Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; access to an electronic communication network for client order entry and account information; and discounts for the purchase of performance reporting software.

Periodically Focus Financial Partners, LLC ("Focus"), our parent company, holds partnership meetings and other industry and best-practices conferences, which typically include Focus firm and external attendees. These meetings provide sponsorship opportunities for asset managers, asset custodians, vendors and other third party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including [name of partner firm], and facilitate access to our advisors and employees to discuss ideas, products and services. This could be deemed a conflict: the marketing and education activities conducted, and the access granted, at such meetings and conferences may lead advisors to focus on those conference sponsors in the course of their duties. Focus attempts to mitigate any such conflict by having the fees only go towards defraying the cost of such meeting or future meetings and not as revenue for itself or any affiliate. Conference sponsorship fees are not dependent on assets placed with any specific provider, or the revenue generated by asset placement.

### **Payment of Referral Fees**

RVP may pay persons to solicit clients on behalf of the firm and pay them a referral fee

(generally a portion of the management fee earned from the referred client). Any such arrangements will be in compliance with Rule 206(4)-3 of the Investment Adviser's Act.

### **Item 15 - Custody**

RVP does not have custody of client funds or securities. RVP ensures that RVP's Custodian Financial Institutions sends statements, at least quarterly, to clients. RVP urges its clients to compare any report generated by RVP with the statement sent directly from the Custodian Financial Institution.

## Item 16 - Investment Discretion

RVP may only implement its investment management recommendations after the client has arranged for and furnished RVP with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions shall include, but are not limited to, *Fidelity*, any other broker-dealer recommended by RVP, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institution(s)*").

Prior to engaging RVP to provide any of the foregoing investment advisory services, the client will be required to enter into one or more written agreements with RVP setting for the terms and conditions under which RVP shall render its services (collectively the "*Agreement*").

Neither RVP nor the client may assign the *Agreement* without the negative consent of the other party. Transactions that do not result in a change of actual control or management of RVP shall not be considered an assignment.



## Item 17 - Voting Client Securities

RVP may vote proxies on behalf of its clients. When RVP accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully-disclosed in RVP's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in RVP's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. At any time, clients may contact RVP to request information about how RVP voted proxies for that client's securities or to get a copy of RVP's Proxy Voting Policies and Procedures. A brief summary of RVP's Proxy Voting Policies and Procedures is as follows:

- RVP has formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.
- The Proxy Voting Committee will generally vote proxies according to RVP's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are to be followed as a general policy, certain issues will be considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, RVP shall devote an appropriate amount of time and resources to monitor these changes.

In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that RVP maintains with persons having an interest in the outcome of certain votes, RVP will take appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

RVP does have the authority to vote client securities.

### **Item 18 - Financial Information**

RVP does not solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Neither RVP nor any of its principals has any financial information to report.