

ITEM 1- COVER PAGE

# Valor Capital Management, LLC

*This Brochure provides information about the qualifications and business practices of Valor Capital Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (440) 590-6352. 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.*

*Valor Capital Management, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.*

*Additional information about Valor Capital Management, LLC is also available on the SEC's Web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The firm's CRD number is: 291213.*

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**January 31, 2018**

## **ITEM 2 – MATERIAL CHANGES**

On an annual basis, this item will be used to provide clients with a summary of all material changes made to the Brochure since the last annual update. Valor Capital Management, LLC (“Valor Capital” and/or “Valor Capital Management” and/or “Valor” and/or “Firm”) will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of its business’ fiscal year-end.

Further, Valor Capital will provide clients with a new Brochure as necessary based on changes or new information, at any time, without charge. As this is the Firm’s initial brochure, there are no changes to be disclosed under this item at this time.

Currently, Valor Capital’s Brochure may be requested by contacting Jennifer Relien, Chief Compliance Officer (“CCO”) by phone at (440) 590-6352.

Additional information about Valor Capital also available via the SEC’s Web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s Web site also provides information about any persons affiliated with Valor Capital who are registered, or are required to be registered, as investment adviser representatives of Valor Capital.

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\* The SEC requires all investment advisers to organize their disclosure documents according to specific categories listed above, some of which may not pertain to Valor Capital's business. When a required category is not relevant to our business, we list the category and state that it does not apply.

## **ITEM 4: ADVISORY BUSINESS**

### **A. Firm Description**

Valor Capital Management was formed in Delaware on October 6, 2017 as a limited liability company and is 100% owned by C2P Enterprises, LLC.

### **B. Types of Advisory Services**

Valor operates as a Turnkey Asset Manager Program (“TAMP”) providing asset management services through the development and management of proprietary model portfolios which are leveraged by registered investment advisors, broker-dealers and other financial institutions (collectively “Separate Advisors”) for the benefit of their Clients. Valor’s models are designed to provide asset class diversification for varying levels of risk tolerance. The majority of Valor’s model portfolios are comprised of a combination of Dimensional Fund Advisors (“DFA Funds”) and other securities that correspond to designated allocation percentages. Other model portfolios are separately managed by Valor and may include mutual funds and exchange-traded funds (“ETFs”) in accordance with the investment objectives of the strategy. Valor’s focus is to capitalize on long-term growth opportunities in global markets while delivering tax-efficient, low-cost and broad diversification for various account sizes, tax qualification types and volatility profiles. These models are managed in a manner substantially similar to the models historically recommended for investment by Valor’s affiliate, C2P Capital Advisory Group, LLC dba Prosperity Capital Advisors, LLC (“PCA”).

The investment services provided by Valor consists of an asset-class allocation and management program, as well as other investment advisory and administrative type services. Valor will generally provide services including but not limited to quarterly account reporting, rebalancing, fee debiting, transaction data processing, and proposed portfolio construction. All Client accounts are administered on a discretionary basis pursuant to instructions received from the Client’s Separate Advisor pursuant to an Investment Advisory Agreement. Valor will generally review the model portfolios annually for rebalancing designed to keep the portfolios consistent with the Firm’s usual and customary target parameters. Valor, the Separate Advisor or the Client may elect not to rebalance for a number of reasons including, for example, the funds involved are

economically insufficient, additional fees and expenses are anticipated, or there are other pending events impacting the decision. Valor will not serve as an Investment Advisor to individual clients or otherwise.

### **C. Client Tailored Services and Client Imposed Restrictions**

Valor manages model portfolios that are leveraged by Separate Advisors. The Firm does not maintain a direct relationship with Clients. Furthermore, there is no ability for a Separate Advisor or Client to impose restrictions on the account. Therefore, this is not applicable to the Firm.

### **D. Wrap Fee Programs**

Valor Capital does not sponsor or manage a wrap fee program.

### **E. Amounts of Assets Under Management**

As of January 31, 2018, the Firm had no assets under management.

## ITEM 5: FEES, COMPENSATION AND TERMINATION OF SERVICES

### A. Description of Compensation and Basic Fee Schedule

The advisory fees payable to Valor Capital are an annual fee of assets under management, or agreed upon rate, billed quarterly in advance. Fees are calculated using the month-end account value as of the last business day of the quarter multiplied by the agreed upon rate then divided by actual number of days in the year multiplied by actual number of days in the quarter. (aum X fee rate X (actual days in quarter/365) = the quarterly fee).

Accounts opened in mid-month will be assessed at a pro-rated management fee. Fees for the initial month will be adjusted pro-rata based upon the number of calendar days in the calendar month that the Agreement goes into effect. The following is the Firm's TAMP fee schedule:

Asset Level:	Fee:
\$0 - \$499,999	30 bps
\$500,000 - \$999,999	25 bps
\$1,000,000 - \$1,999,999	20 bps
\$2,000,000 +	15 bps

Fees are subject to change with thirty (30) days written notice. Notwithstanding the above, certain Separate Advisor Clients with pre-existing relationships may initially be charged fees which are less than those set out above. With regards to employee related accounts and certain other accounts, the fees may be less, depending upon a number of factors, including portfolio size, length of employment and relationship to the employee.

Valor maintains a Limited Power of Attorney for all the model portfolios for the purposes of directing and/or otherwise effecting investments on behalf of the managed accounts invested in the portfolios and for the payment of the advisory fees charged by the Firm and the Separate Advisor, custodial fees and/or other charges incurred by the managed account.

## **B. Payment of Fees**

Fees are payable quarterly, in advance based on the month-end value of the previous month, and such fees will be deducted from Client's account(s) following the end of the calendar month. Incoming new accounts are charged the month after funding and prorated to the end of the quarter. Payment of advisory fees of a de minimis nature can be waived at Valor Capital's discretion.

## **C. Other Fees**

The fees charged by Valor will be in addition to the fees charged by any Separate Advisor utilizing the services of Valor. To the extent mutual funds are selected to fill components of the overall investment strategy, the annual advisory fee set forth above does not include the customary fees and expenses associated with investing in mutual funds or other costs of establishing and maintaining an account with mutual funds and expenses. The Client is advised that, in addition to the annual advisory fee set forth above, each mutual fund in which assets are invested will incur separate investment advisory fees and other expenses for which Client will bear a proportionate share.

### Professional/Service Provider Fees

Fees do not include the services of any co-fiduciaries, accountants, broker/dealers or attorneys. Accordingly, the fees of any additional professionals engaged by a Client will be billed directly by such professional(s).

## **D. Prepayment of Fees**

Advisory fees are charged in advance so if a Client terminates an advisory contract, the Firm will return any previously paid advisory fees on a pro-rated basis that are greater than \$50 to the Client within a reasonable time period.

## **E. Other Compensation**

The Firm does not accept any other compensation for its services other than the fees disclosed in this Brochure.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Valor Capital does not charge any performance-based fees based on a share of capital gains or on capital appreciation of the assets of a Client.

## **ITEM 7: TYPES OF CLIENTS**

Valor provides its services to other Separate Advisors. Valor will not serve as an Investment Advisor to individual clients or otherwise.



## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **A. Methods of Analysis and Investment Strategies**

#### **Methods of Analysis**

In developing and managing its model portfolios, Valor utilizes a method of asset-class allocation based upon academic and behavioral economic research. Valor's asset-class allocation programs and advice concerning securities is based upon publicly available research and reports regarding Efficient Markets Theory, adjusted for certain behavioral economic factors. The asset-class allocations are adjusted for risk (defined as historic market volatility over identified periods of time). Its model portfolios are designed for longer-term investors.

Utilizing the approach above, Valor manages a series of Pre-Tax and Post-tax/Tax-Managed model portfolios. These models are designed to provide asset class diversification for varying levels of risk tolerance. These models are managed in a manner substantially similar to the models historically recommended for investment by Valor's affiliate PCA (described below).

- **Pre-Tax Fixed Income** (100% fixed income)
- **Pre-Tax Stable** (20% equity/80% fixed income);
- **Pre-Tax Conservative** (40% equity/60% fixed income);
- **Pre-Tax Balanced** (50% equity/50% fixed income);
- **Pre-Tax Moderate** (60% equity/40% fixed income);
- **Pre-Tax Growth** (80% equity/20% fixed income);
- **Pre-Tax Equity** (100% equity);
- **Tax-Managed Fixed Income** (100% Fixed Income)
- **Tax-Managed Stable** (20% equity/80% fixed income);
- **Tax-Managed Conservative** (40% equity/60% fixed income);

- **Tax-Managed Balanced** (50% equity/50% fixed income);
- **Tax-Managed Moderate** (60% equity/40% fixed income);
- **Tax-Managed Growth** (80% equity/20% fixed income);
- **Tax-Managed Equity** (100% equity).

Valor also manages a series of Global Portfolio and ETF Models:

- **Global Allocation Stable Portfolio** (25/75);
- **Global Allocation Conservative Portfolio** (40/60)
- **Global Allocation Balanced Portfolio** (50/50);
- **Global Allocation Moderate Portfolio** (60/40);
- **Global Allocation Growth Portfolio** (80/20);
- **Global Equity Portfolio** (100% equity);
- **ETF 20/80 Stable** (20% equity/80% fixed)
- **ETF 40/60 Conservative** (40% equity/60% fixed)
- **ETF 50/50 Balanced** (50% equity/50% fixed)
- **ETF 60/40 Moderate** (60% equity/40% fixed)
- **ETF 80/20 Growth** (80% equity/20% fixed)
- **ETF 100% Equity** (100% equity)

Each of these model portfolios are comprised of a combination of DFA Funds and other securities that correspond to the allocation percentages shown.

### **Investing Involves Risk**

All investments are subject to risk. Valor's portfolios attempt to historically quantify risks and minimize certain risks by diversification among different types of asset classes, but diversification neither assures a profit nor protects against a loss in a declining market. There is no assurance that Valor will be successful, and investors are advised that they are subject to the risks of the securities markets. These risks include general market trends, unintended concentrations in certain markets, sectors and individual issuers, government regulation, and lack of sufficient market liquidity. Fixed income investments are subject to interest rate risks and volatility of market prices. Real estate securities are subject to property value changes, rental

income, property taxes, and tax and regulatory changes. Foreign securities and emerging market investments are subject to the same risks as discussed herein and subject to the risks of currency exchange rate changes, political instability, and different methods of accounting and finance reporting. The additional risks associated with small company and value securities may include increased volatility and less liquidity. Past performance does not guarantee future returns. Many of the principal investment risks inherent in the strategies and investments are discussed in more detail under Item 8 C below.

### **8. B. Similarly Managed Accounts**

For certain Separate Advisors' clients, Valor may manage portfolios by allocating portfolio assets among various mutual funds /securities on a discretionary basis using one or more of recommended investment strategies defined in Item 8 above. In so doing, Valor may buy, sell, exchange and/or transfer shares of mutual funds / securities based upon the investment strategy. Valor's management using the investment strategy complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the investment strategy, with a safe harbor from the definition of an investment company. The investment strategy may involve an above-average portfolio turnover that could negatively impact upon the net after-tax gain experienced by an individual client. Clients are encouraged to consult a tax professional regarding the tax implications of any investment strategy.

### **C. Certain Risk Factors**

All securities, to varying degrees, contain risks inherent to the investments utilized. Securities used by Valor Capital's investment strategies may be subject to the following principal investment risks due to the variety of investments utilized in each strategy:

Credit Risks – The risk that the portfolio could lose money if the issuer of guarantor of a fixed-income security, or the counter-party to a derivative contract, is unable or unwilling to meet its financial obligations

Counter-Party Risks – A portfolio may incur a loss if the other party to an investment contract, such as a derivative, fails to fulfill its contractual obligation.

Currency Risks – The risk that foreign currencies will decline in value relative to the US dollar and affect a portfolio's investments in foreign (non-US) currencies or in securities that trade in and receive revenues in, or in derivatives that provide exposure to, foreign (non-US) currencies.

Debt Securities Risks – The issuer of a debt security may fail to pay interest or principal when due, and changes in market interest rates may reduce the value of debt securities or reduce the portfolio's returns.

Derivative Risk - The use of derivatives such as futures, options and swap agreements can lead to losses, including those magnified by leverage, particularly when derivatives are used to enhance return rather than offset risk.

Emerging-Market Risk – Foreign investment risks are typically greater for securities in emerging markets, which can be more vulnerable to recessions, currency volatility, inflation and market failure.

Equity Risks – The risk that the value of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have great price volatility than fixed income securities.

ETF Risks –Portfolio will be exposed indirectly to all of the risks of securities held by an ETF.

Foreign Investment Risk – Foreign investments face the potential of heightened illiquidity, greater price volatility and adverse effects of political, regulatory, tax, currency, economic or other macroeconomic developments.

High-Yield Securities Risk – High-yield securities have a much greater risk of default or of not returning principal and tend to be more volatile than high-rated securities of similar maturity.

Interest Rate Risk – The risk that fixed income securities will decline in value because of an increase in interest rates.

Issuer Risk – The value of a security may decline because of adverse events or circumstances that directly relate to conditions at the issuer or any entity providing it credit or liquidity support.

Issuer Non-Diversification Risk – The risks of focusing investments in a small number of issuers, industries, or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.

Liquidity Risk – A security may not be able to be sold at the time desired or without adversely affecting the price.

Market Risk – The market price of securities held by a portfolio may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries.

Mortgage and Asset-Backed Securities Risk – These securities may decline in value when defaults on the underlying mortgage or assets occur and may exhibit additional volatility in periods of changing interest rates. When interest rates decline, the prepayment of mortgages or assets underlying such securities may require the reinvestment of money at lower prevailing interest rates, resulting in reduced returns.

## **ITEM 9: DISCIPLINARY INFORMATION**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would-be material to your evaluation of Valor Capital or the integrity of Valor Capital's services.

### **A. Criminal or Civil Action**

Neither Valor Capital, nor any of our employees or affiliates, has had any civil or criminal actions which are required to be disclosed under this Item.

### **B. Administrative Procedure**

Neither Valor Capital, nor any of our employees or affiliates, has had any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

### **C. Self-Regulatory Organization**

Neither Valor Capital, nor any of our employees or its affiliates, has had any proceedings before a self-regulatory organization.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Valor Capital is not registered, nor does it have an application pending to register as a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator or a Commodity Trading Adviser**

Valor Capital is not registered, nor does it have an application pending to register as a futures commission merchant, commodity pool operator or commodity trading advisor.

### **C. Registration Relationships Material to This Advisory Business and Conflicts of Interest**

Valor Capital is under common control with PCA, a separately SEC registered investment advisor. Some officers and/or employees of Valor Capital are also officers and/or employees of PCA.

Valor Capital is under common control with C2P Advisory Group, LLC which is an insurance marketing organization facilitating the selection and support for fixed annuities, fixed index annuities, single premium and deferred-income annuities, life insurance, disability insurance, long-term care insurance, Medicare supplement insurance and final expense funeral trust policies to insurance agents throughout the United States. Some officers and/or employees of Valor Capital are also officers and/or employees of C2P Advisory Group.

### **D. Selection of Other Advisors of Managers and How This Adviser is Compensated for Those Selections**

Valor Capital does not recommend or select other advisers.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **A. Code of Ethics**

Valor Capital has adopted a Code of Ethics to ensure that securities transactions by Valor Capital employees are consistent with the Firm's fiduciary duty to its clients and to ensure compliance with legal requirements and Valor Capital's standards of business conduct. The Supervisory Procedures and Code of Ethics require that all trades made by employees or related persons of Valor Capital, who make recommendations or participate in the determination of which recommendation shall be made, be reviewed by the designated person responsible (except transactions in investment company securities and/or other exempt transactions). Valor Capital will also maintain quarterly reports on all personal securities transactions, except transactions in investment company securities and/or other exempt transactions. Further, the Supervisory Procedures and Code of Ethics impose certain policies and procedures concerning the misuse of material non-public information that are designed to prevent insider trading by any officer, partner, or associated person of Valor Capital. A written copy of the Valor Capital's Code of Ethics is available upon request.

Notwithstanding the above, Valor Capital, and/or its officers, directors or employees may purchase for themselves similar or different securities as are purchased or recommended for investment advisory clients of Valor Capital and different securities or transactions may be affected or recommended for different investment advisory clients of Valor Capital.

No security may be bought or sold by a principal or employee of Valor Capital before Valor Capital clients' accounts have had the opportunity to make such transactions as appropriate. Principals and employees will not receive a more favorable execution price on a particular day than those received by Valor Capital's investment advisory clients.

To prevent conflicts of interest, all employees of Valor Capital must comply with the Firm's Supervisory Procedures and Code of Ethics, which impose restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons. It is Valor



Capital's policy that the Firm will not affect any principal or agency cross securities transactions for client accounts. Valor Capital will also not cross trades between client accounts.

### **B. Recommendations Involving Material Financial Interests**

The Firm does not recommend to Separate Advisors or their Clients any securities in which the Firm or its personnel has a material financial interest. Valor Capital serves as an Investment Advisor and Manager over the Firm model portfolios and does not offer investments that would be of a material interest.

### **C. Investing in the Same Securities as Clients**

Valor Capital's employees and persons associated with Valor Capital are required to follow Valor Capital's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Valor Capital and its affiliates may trade or invest for their own accounts in securities which are recommended to and or purchased for Valor Capital's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Valor Capital will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

### **D. Trading the Same Securities as Clients' Securities**

Please see response to Item 11A. above.

## **ITEM 12: BROKERAGE PRACTICES**

### **A. Selecting Brokerage Firms**

The Firm does not recommend or select broker/dealers to Clients. Separate Advisors utilizing the services of Valor work with their Client to select the broker/dealer and/or custodian they deem most appropriate. The Firm does not receive any additional products or services based on the business activities of the Firm.

### **B. Aggregation of Securities for Multiple Client Accounts**

This is not applicable. Valor will not serve as an Investment Advisor to individual clients or otherwise.

## **ITEM 13: REVIEW OF ACCOUNTS**

### **A. Periodic Reviews**

The Firm manages asset-allocation model portfolios made available to Separate Advisors for the benefit of their Clients. Periodically, Valor reviews Clients' investment portfolios and repositions assets to bring them closer to their target allocations, unless the Client or his/her Separate Advisor has requested otherwise. It may be appropriate, under certain circumstances, to initiate more frequent rebalancing (e.g. requested strategy change, significant additions or withdrawals).

Valor's Investment Committee determines the portfolio recommendation and rebalancing policy, the approximate allocation percentages and the acceptable variance level for each strategic model. Particularly following rebalancing, variations from the target model allocation may occur at any time and in varying amounts.

### **B. Factors that Will Trigger Non-Periodic Reviews**

Please refer to Item 13 A.

### **C. Reports Provided to Clients**

Separate Advisors and/or their Clients may receive quarterly reports containing information about the model portfolio, asset allocation, performance and fees. The Separate Advisors' Clients will also receive transaction confirmations and account statements from their selected Custodian/Broker Dealer on a monthly or quarterly basis.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

### **A. Third Party Compensation**

The Firm does not utilize any third-party services for the purpose of providing investment advice or otherwise. Valor pays various forms of indirect compensation to certain Separate Advisors which may include marketing and training support or services.

### **B. Referrals**

The Firm does not utilize or compensate any person for client referrals.

## **ITEM 15: CUSTODY**

The Firm does not have custody over the Client accounts that invest in the model portfolios but generally it does have the ability to withdraw or direct the payment of advisory fees. The Client will receive transaction confirmations and monthly statements from the custodian of the account reflecting the applicable fees. If there is no activity, the Clients should receive at least quarterly statements from the broker/dealer, bank or other qualified custodian that holds and maintains Clients' investment assets. Valor Capital urges clients to carefully review such statements and compare such official custodial records to the account statements it may provide to clients. Valor Capital's statements, if and when issued, may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **ITEM 16: INVESTMENT DISCRETION**

The Firm maintains a limited discretionary authority to construct and rebalance a Model Portfolio using DFA Funds, ETF and other approved mutual funds or money market funds.

## **ITEM 17: VOTING CLIENT SECURITIES**

Valor does not vote proxies on behalf of Separate Advisors' Clients as it does not maintain Client accounts.

## **ITEM 18: FINANCIAL INFORMATION**

Registered investment advisers are required in this Item to provide clients with certain financial information or disclosures about Valor Capital's financial condition. Valor Capital is well capitalized, has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

### **A. Balance Sheet**

Valor Capital does not require nor solicit prepayment of investment advisory fees which would result in custody issues. Therefore, the Firm is not required to include a balance sheet with this brochure.

### **B. Financial Conditions**

Neither Valor Capital nor its management have any financial conditions that is likely to reasonably impair the Firm's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions**

Valor Capital has never been the subject of a bankruptcy petition.