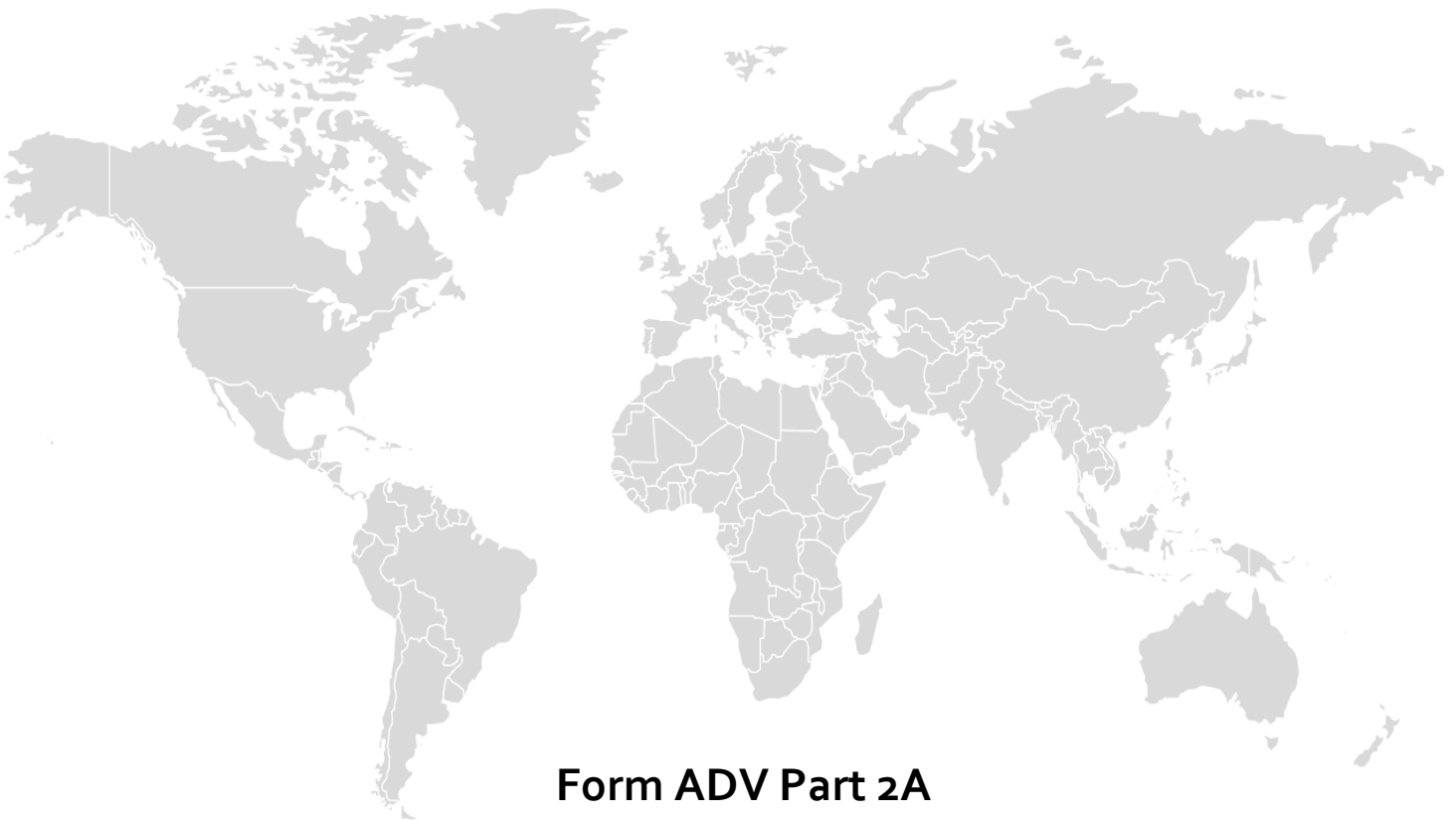




## **RVX Asset Management, LLC**



**Form ADV Part 2A**

**March 2020**

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Aventura, FL 33180  
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[www.rvx-am.com](http://www.rvx-am.com)

## RVX Asset Management, LLC

This Brochure provides information about the qualifications and business practices of RVX Asset Management, LLC. If you have any questions about the contents of this Brochure, please contact us at telephone number (305) 363-6894 and/or by email at [pmonaghan@rvx-am.com](mailto:pmonaghan@rvx-am.com).

The information in this Brochure has not been approved or verified by any state or federal securities authority.

Registration of an investment adviser does not imply any level of skill or training. The oral and written communications received from an adviser provide you with information about which to utilize in determining to hire or retain an investment adviser.

Additional information about RVX Asset Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Item 2 – Material Changes

Since the last updating amendment on March 25, 2019, RVX Asset Management, LLC. ("RVX") entered into two formal soft dollar arrangements with Soft Dollar Brokers.

### Item 3 - Table of Contents

Item 2 – Material Changes .....	2
Item 4 – Advisory Services .....	4
Item 5 – Fees and Compensation .....	4
Item 6 - Performance-Based Fees and side-by-side management.....	5
Item 7 - Types of Clients.....	6
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....	6
Item 9 - Disciplinary Information.....	10
Item 10 - Other Financial Industry Activities and Affiliations .....	10
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	10
Item 12 - Brokerage Practices .....	14
Item 13 - Review of Accounts .....	16
Item 14 - Client Referrals and Other Compensation .....	17
Item 15 - Custody.....	17
Item 16 - Investment Discretion .....	17
Item 17 - Voting Client Securities .....	18
Item 18 – Financial Information .....	19
Item 19 - Business Continuity and Information Security .....	19

## Item 4 – Advisory Services

### General

RVX Asset Management (RVX), a (certified) minority-owned business, was established on July 14, 2015 as a Limited Liability Company in the State of Delaware, by an experienced investment team. The firm is independently owned, has no common ownership nor an association with a broker dealer, investment bank, insurance company or other financial institution.

### Description of Advisory Services

#### ➤ *Discretionary Advisory*

RVX focuses on investment opportunities across Emerging and Frontier debt and equity markets. RVX provides discretionary advisory services to Investment Companies and private investment vehicles (also collectively referred to as "Funds"). In addition, RVX also offers discretionary management services to separately managed accounts. Clients may obtain tailored service and impose restrictions on investing in certain securities or types of securities, all of which would be detailed through a written investment advisory agreement.

#### ➤ *Non-Discretionary Advisory*

RVX may also provide Non-Discretionary advisory services to separately managed accounts.

### Wrap Fee Programs

RVX does not currently participate in any Wrap Fee Programs.

### Regulatory Assets Under Management

As of January 31, 2020 RVX maintained approximately \$193.786.214 in assets managed on a discretionary basis and \$111.928.376 on a non-discretionary basis.

## Item 5 – Fees and Compensation

### Basic fee structure:

The specific manner in which fees are charged by RVX is established in each Client's written agreement with RVX, which may be negotiated and differ with each Client.

RVX's fees are typically asset based (or management fee) and/or an incentive based fee. The asset based fees are normally charged at an annual rate of between 90 bps and 200 bps of the value of the Client's net assets under management and are generally payable quarterly in arrears depending on the terms of the investment advisory agreement.

A Client may pay more or less fees than similar clients depending on the particular circumstances of the client, size, additional or differing levels of servicing or as otherwise agreed with specific clients. Clients that negotiate fees, including a flat fee, may end up paying a higher fee than that

set forth above as a result of fluctuations in the client's assets under management and account performance.

Clients also bear direct and indirect costs, fees and expenses incurred by or on behalf of such Clients including, among others, (i) all costs, fees and expenses of the Client directly related to the investigation, purchase, sale, preservation or retention of investments by the Client (including all fees and commissions of brokers and custodians; (ii) all federal, state and local taxes and filing fees payable by the Client; (iii) all fees and disbursements of the independent attorneys, accountants and consultants retained by the Client, or on behalf of the Client; (iv) all filing and recording fees; and (v) all interest expense of the Client.

### **Termination of the Agreement**

Although an Agreement between RVX and its clients are ongoing agreements and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party with a (60) sixty – day advance notice or as agreed upon otherwise between the client and RVX.

If an agreement is terminated during a period in which the client has already paid RVX its advisory fees in advance, then RVX will reimburse, on a pro-rated basis, the remaining advisory fees collected for any service not rendered; these fees will be sent to the client's address of record, unless otherwise directed by the client, within (30) days of termination of the agreement.

## **Item 6 - Performance-Based Fees and side-by-side management**

RVX charges a management fee and in some cases may charge a performance fee. The performance allocation or fee generally equals 20% per annum of the net profit in a Client's account, typically subject to a loss carryforward adjustment and a "high water mark", and is generally payable in arrears at the end of each calendar year.

RVX seeks to structure performance fee arrangements subject to Section 205(a)(1) of the Adviser's Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. Such performance fees would generally be individually negotiated with each Client and may be subject to a High Water Mark. Typically, the fee will be charged on an annual basis in arrears.

The term "High Water Mark" shall mean that no performance fee will be paid for recoupment of losses. Thus, if the net asset value of the Account (excluding the performance fee) at the end of a calculation period falls below the net asset value at the end of any previous calculation period, no performance fee will be owed to RVX for the calculation period then ended. RVX will only be entitled to a further performance fee once the net asset value of the Account exceeds the highest net asset value of the Account for all previous calculation periods. The High Water Mark is adjusted for contributions to and withdrawals from the Account. Each client is provided with

additional information on the fees payable by their Account, including with respect to the High Water Mark, if any, in their advisory agreement.

Performance based fee arrangements may create an incentive for RVX to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Performance fee arrangements may also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. RVX has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients. RVX may have clients with similar investment objectives. RVX is permitted to make an investment decision on behalf of clients that differs from decisions made for, or advice given to, such other accounts and clients even though the investment objectives may be the same or similar, provided that RVX acts in good faith and follows a policy of allocating, over a period of time, investment opportunities on a basis intended to be fair and equitable, taking into consideration the investment policies and investment restrictions to which such accounts and clients are subject.

## Item 7 - Types of Clients

RVX provides asset and/or portfolio management services to investment companies, private investment vehicles, high net worth individuals, other investment advisers (domestic or foreign), corporations and institutions or other entities. The minimum dollar value for establishing an Account is generally \$1MM. Initial investments of a lesser amount may be accepted at RVX's discretion.

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

### General Investment Strategies and Methods of Analysis

RVX seeks to invest and manage client assets and portfolios using a "Top-Down" thematic approach for its Fixed Income/Alternative Strategies and "Bottom-Up" fundamental approach for its Long Only Equities Strategies. To achieve client and strategy objectives RVX monitors global macroeconomic, geopolitical and industry trends.

For **Fixed Income/Alternative Strategies**, RVX follows a top-down thematic approach of identifying global macroeconomic, geopolitical and industrial trends so it can then isolate local market themes and opportunities. This approach helps RVX to focus on specific regions, sectors, and companies to do an in-depth bottom-up fundamental analysis of each opportunity. Once the analysis is completed, the unique part of RVX's investment process is the selection of which investment tool is best suited for the specific opportunity depending on liquidity and its engineered portfolio construction.

For **Long Only Equity Strategies**, RVX's utilizes a fundamental, bottom-up, relative value approach in identifying investment opportunities. The investment process starts with a

screening process based on value characteristics and eliminating illiquid, highly leveraged or distressed securities. Then a proprietary database which has broad country and industry representation is ranked monthly using a multi-factor model. Fundamental, bottom-up analysis is then done on the most attractively ranked stocks. The fundamental analysis focuses on sustainable cash flow and dividends; and seeks to determine an estimate of intrinsic value. Analyst recommended stocks are then reviewed for portfolio construction at weekly investment meetings, considering risk management.

### **Material Risks for Significant Investment Strategies**

While it is the intention of RVX to implement strategies, which are designed to minimize potential losses suffered by its client, there can be no assurance that such strategies will be successful. It is possible that a client may lose a substantial proportion or all of its assets in connection with investment decisions made by RVX. Investment in securities involves a risk of loss that you, as a client, should be prepared to bear. The following is a discussion of typical risks for RVX's clients, but it does not purport to be a complete explanation of the risks involved with RVX's investment strategies.

There is no guarantee that in any time period, particularly in the short term, a client's portfolio will achieve appreciation in terms of capital growth or that a client's investment objective will be met by RVX.

The value of the securities in which RVX invests on behalf of its clients may be volatile. Price movements may result from factors affecting individual companies, sectors or industries that may influence certain strategies or the securities market as a whole. Furthermore, a client will be subject to the risk that inflation, economic recession, changes in the general level of interest rates or other market conditions over which RVX will have no control may adversely affect investment results. RVX notes that while RVX's management of accounts may not involve direct leveraging, or other risk factors discussed below, the underlying funds and other investments that comprise client accounts may engage in practices that can materially impact the performance of such fund or investment, which in turn may materially impact the value of RVX's clients' portfolios.

### **Hedging transactions may increase risks of capital losses**

RVX may utilize hedging strategies primarily to protect and preserve capital as well as yield enhancement. Investment products in which RVX invests clients' accounts may utilize a variety of financial instruments, such as options, for risk management purposes. While hedging transactions may seek to reduce risk, such transactions may result in a worse overall performance. Certain risks cannot be hedged, such as credit risk, relating both to particular securities and counterparties. RVX will not always invest in funds or other investment vehicles that utilize hedging strategies.

### **Leverage**

RVX may utilize and employ leverage under its current strategies. Such strategies may include the borrowing and short selling of securities, bonds, foreign exchange and the acquisition and disposal of certain types of derivative securities and instruments, such as swaps, futures and options. While leveraging creates an opportunity for greater total returns, it also exposes a client to a greater risk of loss arising from adverse price changes. Where leverage is indirect (e.g., used by a fund manager for a fund in which RVX's client is invested) a sharp decrease in the value of the investment can have a significant impact on a client's portfolio.

### **Liquidity of investment portfolio**

The market for some securities in which RVX invests indirectly on behalf of its clients may be relatively illiquid. Liquidity relates to the ability to sell an investment in a timely manner. The market for relatively illiquid securities tends to be more volatile than the market for more liquid securities. Investments in relatively illiquid securities may restrict the ability of a fund or portfolio manager to dispose of investments at a price and time that it wishes to do so. The risk of illiquidity also arises in the case of over-the-counter transactions. There is no regulated market in such contracts and the bid and offer prices will be established solely by dealers in these contracts. Client accounts that are invested in funds or other instruments that contain illiquid investments may be subject to these risks.

### **Foreign currency markets**

RVX's investment strategies may cause a client to be exposed to fluctuations in currency exchange rates where it invests directly or indirectly in securities denominated in currencies other than U.S. dollars. RVX does not engage in direct foreign currency trading. However, the underlying funds and other investment vehicles may engage in direct foreign currency trading. The markets in which foreign exchange transactions are affected are highly volatile, highly specialized and highly technical. Significant changes, including changes in liquidity and prices, can occur in such markets within very short periods of time, often within minutes. Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment, or particular transactions in foreign currency.

### **Derivatives**

RVX's investment strategy may cause a client to be exposed to derivatives including instruments and contracts the value of which is linked to one or more underlying securities, financial benchmarks or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, index, currency or interest rate at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives trading. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can result not only



in the loss of the entire investment, but may also expose a client to the possibility of a loss exceeding the original amount invested.

### **Settlement risks**

RVX's investment strategies may expose a client to the credit risk of parties with whom RVX, on behalf of the client or the underlying funds, trades and to the risk of settlement default. Market practices in the emerging markets in relation to the settlement of securities transactions and custody of assets will provide increased risk. Although the emerging markets have grown rapidly over the last few years, the clearing, settlement and registration systems available to affect trades on such markets are significantly less developed than those in more mature world markets which can result in delays and other material difficulties in settling trades and in registering transfers of securities. Problems of settlement in these markets may affect the net asset value and liquidity of a client's portfolio or investments in such portfolios.

### **Emerging Markets**

RVX's investment strategies include direct and indirect investments in emerging markets securities and such investments involve special considerations and risks. These include a possibility of nationalization, expropriation or confiscatory taxation, foreign exchange control, political changes, government regulation, social instability or diplomatic developments which could affect adversely the economies of such countries or the value of a client's investments, and the risks of investing in countries with smaller capital markets, such as limited liquidity, price volatility, restrictions on foreign investment and repatriation of capital, and the risks associated with emerging economies, including high inflation and interest rates and political and social uncertainties. In addition, it may be difficult to obtain and enforce a judgment in a court in an emerging country. The economies of many emerging market countries are still in the early stages of modern development and are subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions having sudden and widespread effects. Investments in products of emerging market may also become illiquid which may constrain RVX's ability to realize some or all of a client's portfolio holdings. Accounting standards in emerging market countries may not be as stringent as accounting standards in developed countries.

### **Investment Concentration**

Some client accounts may have a high concentration in one sector, industry, issuer or security that may subject such accounts to greater risk of loss in the event such investments take an economic downturn.

### **Material Risks for Particular Types of Securities**

RVX has the ability to invest in multiple types of securities. In general, RVX looks at all assets across the capital structure to build a tactically balanced portfolio that delivers higher returns while managing controlled volatility via the asset mix. The material risks involved with investing are described above.

## Item 9 - Disciplinary Information

Investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of an adviser or the integrity of the adviser's management. RVX has no information applicable to this Item. Please visit [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) at any time to view RVX's registration information and any applicable disciplinary action.

## Item 10 - Other Financial Industry Activities and Affiliations

### **Broker-Dealer Registration**

Neither RVX nor its management or associated persons are (i) registered with the Securities and Exchange Commission (SEC) as a broker-dealer or (ii) have any application to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

### **Commodity Pool Operator, Commodity Trading Adviser, Futures Commission Merchant Registration**

Neither RVX nor its management or associated persons are (i) registered or associated with the Commodity Futures Trading Commission ("CFTC") as a futures commission merchant ("FCM"), a commodity pool operator ("CPO") or a commodity trading advisor ("CTA") or (ii) have any application pending to register with respect to any of the foregoing.

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

### **Code of Ethics and Personal Trading Policies**

RVX has adopted the Code of Ethics pursuant to Rule 204A-1 of the Advisers Act in an effort to prevent violations of federal securities laws. RVX expects all employees to act with honesty, integrity and professionalism and to adhere to federal securities laws.

All officers, directors and employees of RVX and any other persons who provide advice on behalf of RVX and is subject to RVX's control and supervision (collectively referred to as "Access Persons") are required to adhere to the Code.

### **Prevention of Insider Trading**

RVX has adopted policies designed to prevent insider trading that is more fully described in the Code. RVX's policy on insider trading applies to securities trading and information handling by all Access Persons of RVX (including spouses, minor children and adult members of their households and any other relative of an Access Person on whose behalf Access Person is acting) for their own account or the account of any client of RVX.

RVX takes its obligation to detect and prevent insider trading with the utmost seriousness. RVX may impose penalties for breaches of the policies and procedures contained in this manual, even in the absence of any indication of insider trading. Depending on the nature of the breach, penalties may include a letter of censure, profit "give ups," fines, referrals to regulatory and self-regulatory bodies and dismissal.

## **Personal Securities Transactions**

### **Periodic Reports**

As more fully described in the Code, "access persons" are required to submit reports detailing their personal securities holdings to the Chief Compliance Officer on an initial basis, a quarterly basis, and an annual basis.

In addition to submitting quarterly transaction reports, RVX requires persons who are "access persons" to submit brokerage statements or trade confirmations as long as such documents contain the information required under Rule 204A-1(b)(2)(i)(A)-(E) under the Advisers Act.

### **Review of Personal Securities Reports**

The Chief Compliance Officer (or its designee) is responsible for reviewing the Access Person's Quarterly Transaction Reports as well as the Initial Holdings Report and the Annual Holdings Report as part of RVX's duty to maintain and enforce its Code.

In instances when the Chief Compliance Officer has engaged in personal securities transaction, a designee shall review the Chief Compliance Officer's brokerage statements and trade confirmations.

### **Participation or Interest in Client Transactions and Associated Conflicts of Interest**

RVX may recommend or invest in securities, including funds, issued or managed by its affiliates (or where the affiliate acts as general partner) in which its affiliates have a material financial interest. RVX has policies that require personnel who develop advice and recommendations for clients to render only disinterested and impartial advice to clients and to comply with other fiduciary obligations, including having an adequate basis in fact for all recommendations and an obligation to recommend only investments that are suitable for the particular client.

The potential conflicts of interest involved in any such transactions are generally governed by RVX's Code. Pursuant to the stipulations of the Code, RVX or a related person may not buy or sell for itself securities that it is recommending to clients. The potential conflicts of interest involved in such transactions are governed by the Code, which establishes sanctions if its requirements are violated and requires that RVX and employees place the interests of RVX's clients above their own.

### **Investments in Securities by RVX and its Personnel**

RVX's policy prohibits "access persons" from engaging in Personal Securities Transactions (as defined below) involving securities and financial instruments which RVX and any of its affiliates

is recommending or trading or contemplates recommending to clients, and certain other securities and financial instruments.

No access person may engage in Personal Securities Transactions involving any financial instruments which are:

- a) Owned by a client. This includes all collective investment schemes, mutual funds and managed accounts.
- b) Actively contemplated for transactions on behalf of clients, even though no buy or sell orders have been placed. This restriction applies from the moment that an employee has been informed in any fashion that any advisory representative intends to purchase or sell a specific security for clients' accounts.

Long only transactions are allowed in the following financial instruments in all markets:

- a) Closed-end funds;
- b) Exchange Traded Funds (ETF's).

The prohibition, however, does not extend to sovereign debt securities, and shares of open-end investment companies (mutual funds).

As more fully described above, RVX has adopted a Code of Ethics. Such Code of Ethics together with RVX's policies and procedures restrict the ability of certain officers and employees of RVX from engaging in securities transactions in any securities that its clients have purchased, sold or considered for purchase or sale, for an appropriate "black out" period. Other restrictions and reporting requirements are included in RVX's procedures and Code of Ethics minimize or eliminate conflicts of interest.

#### **Initial Public Offerings and Limited Public Offerings**

Access Persons must obtain prior written approval from the Chief Compliance Officer before investing in initial public offerings ("IPOs") or limited offerings (i.e., private placements). In the event the Chief Compliance Officer wishes to purchase IPOs or the securities of a private placement for his/her own employee account, the Chief Compliance Officer must obtain prior written approval from RVX's Board Committee.

#### **Outside Business Activities and Private Investments of Employees**

Unless otherwise consented by the Chief Compliance Officer, all employees are required to devote their full time and efforts RVX's business. As such, no person may make use of either his or her position as an employee or information acquired during employment, or make personal investments in a manner that may create a conflict, or the appearance of a conflict, between the employee's personal interests and RVX's interests. Accordingly, every employee is required to complete a disclosure form and have the form approved by RVX's Chief Compliance Officer prior to serving in any of the capacities or making any of the investments more fully described in the Code.

### **Reporting Violations**

All Access Person (any officer, director, partner and employee of RVX) are required to report actual or known violations or suspected violations of RVX's Code promptly to the Chief Compliance Officer or the designee.

Any report of a violation or suspected violation of the Code will be treated as confidential to the extent permitted by law.

As part of RVX's obligations to conduct an annual review of all of its policies and procedures pursuant to Rule 206(4)-7 of the Advisers Act, the Chief Compliance Officer shall review on an annual basis the adequacy of the Code and the effectiveness of its implementation.

### **Recordkeeping**

RVX maintains the following:

- Copies of the Code;
- Records of violations of the Code and actions taken as a result of the violations;
- Copies of RVX's supervised persons' written acknowledgement of receipt of the Code;
- Records of Access Persons' personal trading — Initial Holdings Reports, Annual Holdings Reports, and Quarterly Transaction Reports, including any information provided under Rule 204A-1(b)(3)(iii) in lieu of such reports, i.e., brokerage confirmations and transaction reports;
- A record of the names of RVX's "Access Persons";
- Records of decisions, and the reasons supporting the decision to approve an Access Person's acquisition of securities in initial public offerings or limited offerings; and
- Records of decisions, and the reasons supporting the decision to approve the Chief Compliance Officer's acquisition of securities in initial public offerings or limited offerings.

### **Acknowledgement of the Code**

Each employee will execute a written statement certifying that the employee has (i) received a copy of RVX's Code; (ii) read and understands the importance of strict adherence to such policies and procedures; and (iii) agreed to comply with the Code.

### **Training and Education**

All Access Person, i.e., all employees, are to receive training on complying with the Code on an annual basis as part of RVX's annual employee compliance review meeting to ensure that all employees fully understand their duties and obligations and how to comply with the Policy's procedures.

### **Errors**

Errors may occur from time to time in transactions for client accounts. RVX will typically correct any such errors that are the fault of RVX or an affiliate at no cost to the client, other than costs

that RVX deems immaterial. To the extent that the subsequent sale of such securities generates a profit to RVX, RVX may retain such profits, and may, but is not required to, use such profits to offset errors in the future or pay other client-related expenses. RVX will not be responsible for any errors that occur that are not the fault of RVX or any affiliate.

### **Privacy Policy**

RVX considers your privacy our utmost concern. RVX does not share any information of clients with nonaffiliated third parties, except such information may be disclosed as necessary to process a transaction an investor has requested, to the extent the investor specifically authorized the disclosure, to service providers or joint marketers who agree to limit their use of such information, and to the extent required or specifically permitted by law or reasonably necessary to prevent fraud, unauthorized transactions or liability.

When RVX discloses non-public personal information of clients to a non-affiliated third party that provides services to RVX or engages in joint marketing, RVX shall:

- notify investors of the possibility of such disclosure; and
- enter into a contractual agreement with the third party that prohibits the third party from disclosing or using the investors' information other than to carry out the purposes for which the information was disclosed to the third party.

In particular, RVX may enter, in compliance with the above conditions, into an agreement with a non-affiliated third party to store the records of RVX clients and investors including electronic and e-mail records.

### **Copies of RVX's Code and/or Privacy Policy**

A copy of RVX's Code and/or Privacy Policy is available upon request. For a copy, please contact RVX at (305) 363-6894.

## **Item 12 - Brokerage Practices**

As part of RVX's relationship with its clients, its Investment Advisory Agreement provides that client may restrict the discretion and direct brokerage to any broker-dealer. RVX is authorized in its Investment Advisory Agreement to select other securities brokers, unless the client directs otherwise in the Agreement.

In recommending brokers-dealers and custodians, RVX will generally seek the best combination of services provided and associated expenses. Relevant factors used in evaluating "execution quality" include historical net prices, the execution, clearance, and settlement and error correction capabilities of the broker or dealer generally and in connection with securities of the type and in the amounts to be bought or sold; the broker's or dealer's willingness to commit capital; reliability and financial stability; the size of the transaction; availability of securities to borrow for short sales; and the market for the security.

In addition to a broker-dealer's ability to provide "execution quality," RVX's selection criteria may include the value of various services or products provided by the broker-dealer. For example, RVX may acquire: research reports on or other information about particular companies, sectors or industries; economic surveys and analyses; recommendations as to specific securities; electronic market quotations; non-mass-marketed financial publications; portfolio evaluation services; performance measurement services; market, economic and financial studies and forecasts; data on pricing and availability of securities; certain financial database software and services; and other products or services that may enhance its investment decision making.

### **Research and Other Soft Dollar Arrangements**

***RVX notes that it has no formal or informal soft dollar arrangements related to its Long Only Equity Strategies.***

Our policy is to only use "soft" or commission dollars to the extent that such expenses come within Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)"). Section 28(e) provides a "safe harbor" to investment managers that use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the investment manager in performing investment decision-making responsibilities. Conduct outside of the safe harbor afforded by Section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. Items for which we may use soft dollars, and that fall within the safe harbor, include:

- research seminars and similar programs (however, travel expenses, meals and hotel accommodations are not included);
- computer analyses of securities portfolios;
- economic factors and trends as well as political analysis;
- third party research, provided that the broker is contractually obligated to pay the provider of the service or products and does not merely act as a conduit to pass on the Adviser's commissions to the provider of the services to satisfy the Adviser's obligation.

We are not obligated to seek the lowest transaction charge, except to the extent that it contributes to the overall goal of obtaining the best execution for clients. A higher transaction charge on exchange and over-the-counter trades may be determined to be reasonable in light of the value of the brokerage execution and research products and services provided to us for the benefit of our clients.

We may from time to time enter into formal or informal arrangements with certain brokers ("Soft Dollar Brokers") whereby the provision of research or brokerage execution services is explicitly dependent on the level of commissions and underwriting concessions generated by the client accounts. In selecting Soft Dollar Brokers to initiate soft dollar transactions, we will consider the capabilities of the Soft Dollar Broker to provide best execution. We currently have

two formal soft dollar arrangement with a Soft Dollar Broker. Pursuant to such arrangement, we have only received research services over the past fiscal year. Such research services fall within Section 28(e).

Research services received from Soft Dollar Brokers will be used to supplement and augment our own research capabilities, and will directly assist us in our investment decision-making process. Soft Dollar Brokers also may provide execution-related products and services, including trade execution and electronic access to broker networks, in exchange for commission business. All products and services that are paid for with client transaction charges are of the type described in Section 28(e). All products and services that are paid for with soft dollars are reviewed and approved to ensure that the product or service provides lawful and appropriate assistance in the performance of our investment decision-making activities. In addition, a determination will be made as to whether the amount of the commissions paid is reasonable in light of the value of the products or services provided. Section 28(e) permits products and services obtained by soft dollars to be used for any or all client accounts.

#### **Brokerage for Client Referrals**

RVX does not direct brokerage to particular brokers in consideration for client referrals.

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

RVX's Managing Partners - Equities and its Chief Investment Officer review the **Long Only Equity Strategies** and the **Fixed Income/Alternative Strategies** respectively on an ongoing basis. The reviews focus on consistency of portfolio investments with objectives and risk tolerances. Asset allocation, cash management, market prospects and individual issue prospects are considered. Daily compliance tests are applied both pre-trade and post-trade electronically to insure compliance with the various Funds investment parameters. The Chief Compliance Officer typically reviews daily trades entered into for investment advisory clients to determine that correct entries have been made for all client records.

Fund investors receive monthly accounts statements directly from the Fund Administrator, investors also receive an annual K-1, if applicable, and a copy of the annual audit for each fund in which they are invested.

#### **Factors Triggering a Review**

There are no specific triggering factors leading to a review.

#### **Client Reports**

Clients of RVX with discretionary accounts receive quarterly reports from their qualified Custodian. RVX will provide a performance report quarterly or as agreed between RVX and the client.



## Item 14 - Client Referrals and Other Compensation

RVX, from time to time, receives client referrals, and such referrals often come from current clients, attorneys, accountants, employees, personal friends of employees and other similar sources. Furthermore, RVX does not currently accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

RVX has entered into agreements whereby a party unaffiliated with RVX is entitled to compensation in the event that such party solicits prospective clients who become RVX's clients. Such solicitor entered into written agreements with RVX pursuant to which the solicitor will provide each prospective client with a copy of RVX's Form ADV Part 2 and a disclosure document setting forth the terms of the solicitation agreement, including the nature of the relationship between the solicitor and RVX and any fees to be paid to the solicitor. Where applicable, cash payments for client solicitations will be structured to comply fully with the requirements of Rule 206(4)-3 under the Advisers Act.

## Item 15 - Custody

RVX and its management members serve as directors, managers, or in a similar capacity for the Funds, as such, RVX is deemed to have custody due to directors' authority to obtain possession of the assets of the Funds. RVX is subject to all applicable provisions of the Custody Rule, which includes either subjecting itself to a surprise annual examination by an independent public accountant (the Surprise Examination Approach) or, alternatively, engaging an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board (PCAOB) to conduct an annual audit of the private fund and deliver audited financial statements to all limited partners or other beneficial owners within 120 days of the end of its fiscal year (the Annual Audit Approach).

RVX maintains all securities and funds of its clients with a "qualified custodian." Clients will receive no less than, on a quarterly basis, statements directly from the broker-dealer, bank, or other qualified custodian that holds and maintains such client's assets. RVX urges its clients to carefully review these statements and compare them to the account statements, if any, that may be provided by RVX. RVX's statements may vary from the statements provided by the qualified custodian because of accounting procedures, reporting dates, or valuation methodologies used to value certain securities.

## Item 16 - Investment Discretion

RVX receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such

discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. With respect to RVX's discretionary programs and accounts, RVX is generally conferred with discretionary authority to make the following determinations without obtaining the consent of the client before a transaction is affected:

- which securities are to be bought or sold;
- the total amount of the securities to be bought or sold;
- the broker or dealer through whom securities are to be bought or sold; and,
- the commission rates at which securities transactions for client accounts are affected.

When selecting securities and determining amounts, RVX observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to RVX in writing.

## Item 17 - Voting Client Securities

RVX subscribes to Broadridge's ProxyEdge® automated electronic proxy voting service. This service provides RVX with proxy information through an automated interface based on share positions provided directly to ProxyEdge by relevant account's custodian banks.

At RVX, portfolio managers and analysts are responsible for performing research on the companies in which we invest. The same portfolio managers and analysts are responsible for decisions regarding proxy voting, as they are the most familiar with company-specific issues. RVX's Chief Compliance Officer will coordinate with the appropriate portfolio manager or analyst to ensure that proxies are voted.

RVX may abstain from voting a client proxy if we conclude that the effect on the client's economic interests or the value of the portfolio holding is indeterminable or insignificant. We may also abstain from voting a client proxy for cost reasons (e.g., costs associated with voting proxies of non-U.S. securities). In accordance with our fiduciary duties, we would weigh the costs and benefits of voting proxy proposals relating to foreign securities and make an informed decision with respect to whether voting a given proxy proposal is prudent. Our decision would consider the effect that the vote of our client, either by itself or together with other votes, was expected to have on the value of our client's investment and whether this expected effect would outweigh the cost of voting.

We will maintain the records required to be maintained by us with respect to proxies in accordance with the requirements of the Investment Advisers Act of 1940 and, with respect to our registered investment company clients the Investment Company Act of 1940. We may, but need not, maintain proxy statements that we receive regarding client securities to the extent that such proxy statements are available on the SEC's Edgar system. We may also rely upon a third party to maintain certain records required to be maintained by the Advisors Act or the Investment Company Act.

### **Conflicts of Interest**

We recognize that the potential for conflicts of interest could arise in situations where we have discretion to vote client proxies and where we have material business relationships or material personal/family relationships with an issuer (or with a potential target or acquirer, in the case of a proxy vote in connection with a takeover). To address these potential conflicts RVX will evaluate the circumstances and either (1) elevate the decision to the portfolio managers and analyst responsible for holding that particular security who will make a determination as to what would be in the client's best interest; (2) if practical, notify affected Clients of the conflict of interest and seek a waiver of the conflict; or (3) if agreed upon in writing with the Clients, forward the proxies to affected Clients allowing them to vote their own proxies.

## **Item 18 – Financial Information**

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

## **Item 19 - Business Continuity and Information Security**

### **Business Continuity Plan**

RVX has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key persons. The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients promptly after a disaster that dictates moving our office to an alternate location.

### **Privacy and Information Security**

RVX maintains an information security program to reduce the risk that your personal and confidential information may be breached. Furthermore, RVX is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier and use other techniques and authentication procedures in our computer environment. We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law. Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this Privacy Notice to you annually, in writing.