

# **Form ADV Part 2A: Firm Brochure**

**Briza Capital Advisors, LLC**

**2715 Ashman Street**

**Midland, MI 48640**

**(989) 748-8555**

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This Brochure provides you information about the qualifications and business practices of Briza Capital Advisors, LLC. (referred to in this Brochure as “**us**,” “**we**,” “**our**” or the “**firm**”). If you have any questions about the contents of this Brochure, please contact us at (989) 748-8555. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

We are a registered investment adviser. Registration of an adviser does not imply any level of skill or training.

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

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## **ITEM 4: ADVISORY BUSINESS**

### **Firm Description and Principals**

Briza Capital Advisors, LLC is a Michigan limited liability corporation established in 2018. Ms. Tamara McGovern, our managing member, is the sole owner of our firm's membership interests.

### **Consulting Services**

We offer non-discretionary portfolio consulting services to depository institutions, trusts and estates, employee benefit plans, businesses and other suitable financial investors. We provide investment advice based on strategies specifically tailored to the specific needs of each client.

We specialize in managing investment portfolios for depository institutions. Our objective is to understand our client, their market and business objectives, income targets and risk management policies and practices so that we may strategically build a portfolio that specifically suits their needs. Each institution maintains an investment policy specific to them on file with us. These policies form the basis by which investment decisions are made and agreed upon by the client and us. While policies and objectives are unique to each institution, commonalities exist in the overarching objectives, such as:

- Safety of principal invested
- Providing adequate liquidity and marketability of positions
- Optimizing returns and/or profits of funds invested
- Adherence to regulatory guidelines applicable
- Portfolio diversification

We request that you promptly update us, in writing, with any changes to your investment policy.

### **Assets Under Management**

As of December 31, 2019, Briza Capital Advisors, LLC currently manages approximately \$120 million of client assets on a nondiscretionary basis.

## **ITEM 5: FEES AND COMPENSATION**

The specific manner in which we charge fees is established in our written agreement with the client. The fee schedule for our advisory services is based upon a percentage of the market value of the client assets as of the last trading day of each calendar quarter. Although our fees for our services are negotiated, our basic fee range is as follows:

<b>Value of Account</b>	<b>Annual Percentage Fee Range</b>
First \$50 Million	0.25% to 0.35%
Next \$50 Million to \$100 Million	0.15% to 0.25%
Above \$100 Million	0.10% to 0.15%

Our fee will be paid quarterly, in arrears and prorated for any periods less than a full calendar quarter. In determining the value of the assets in the account, we will, to the extent current valuation information is available, rely upon the valuations provided by the custodian or the issuer of the securities. With respect to assets held by the client outside of the custodian, we will use reports or other information provided by the client or such other sources or methods consistent with our fair valuation policies.

We will send you an invoice for our fee on a quarterly basis and payment of such fee is due promptly.

### **Additional Information on Fees**

In addition to our fee, clients may also incur certain charges imposed by unaffiliated third parties, including, but are not limited to, custodial fees, transaction fees, wire transfer, and other fees and taxes on brokerage accounts and securities transactions. Such charges and fees are exclusive of and in addition to our fee, and we do not receive any portion of these fees and costs.

### **Termination of Agreement**

Our investment advisory agreement may be terminated by the client or us, upon written notice and the investment advisory fee will be appropriately prorated through the date of termination. Termination of our investment advisory agreement will not affect liabilities or obligations incurred from transactions initiated under our agreement prior to the termination date, such as the purchase of investments by us for your account. You are responsible for any cost incurred in transferring assets from your account to a different account and any advisory fees accrued and unpaid at the time of termination. After the termination date, we will have no further duties or obligations to you under our investment advisory agreement.

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

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of your assets).

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

We offer investment advisory services to depository institutions, trusts and estates, employee benefit plans and other suitable investors. There are no specific requirements for opening or maintaining an account.

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

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

We have a proprietary process that builds balance sheet driven fixed-income investment strategies. While each client has an investment policy on file with us, it is the client's responsibility to notify us of any material change in their investment objectives or financial condition.

### **Types of Investments and Risk of Loss**

While fixed-income strategies emphasize principal preservation, there are certain risks associated with these securities.

Interest Rate Risk: A change in interest rates may reduce (or increase) the market value of a bond. Lower rated securities may exhibit greater price volatility than higher rated securities.

Credit Risk: The risk of financial loss occurring if the issuer or guarantor of a fixed-income security is unable or unwilling to make timely payments of principal and interest.

Optionality Risk (e.g. Prepayment or Call Risk): Some fixed-income securities (such as mortgage-backed securities or callable bonds) bear the risk that an issuer will exercise their right to pay principal earlier than expected. This may happen in a period of declining interest rates and, as a result, the investor may receive a lower than expected yield as they may be forced to invest in lower yielding securities.

Liquidity Risk: The risk that an investor may have to sell their bond below its indicated value. Liquidity declines when it becomes more difficult to trade an investment due to an imbalance in the number of buyers and sellers. Some bonds may be easier to trade than others, with factors such as credit rating, issuer, and size of issuance impacting liquidity.

## **ITEM 9: DISCIPLINARY INFORMATION**

As a registered investment adviser, we must inform you of all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management. We have no legal or disciplinary events to disclose.

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

As a registered investment adviser, we must disclose information regarding our business activities, other than giving investment advice, our other activities in the financial industry, and any arrangements with related persons that are material to you or our advisory business. We are also required to disclose if we receive cash or other economic benefits from a third party in connection with advising you. We have no information to disclose.

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

We adopted our Code of Ethics (the “Code”) setting forth the standards of business conduct that we expect all individuals associated with or employed by us (our supervised persons) of the firm to follow. The Code includes provisions related to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items. The Code also describes certain reporting requirements with which these particular supervised persons must comply.

We anticipate that, in appropriate circumstances, consistent with clients’ investment objectives, we will recommend to our clients, the purchase or sale of securities in which we, our supervised persons and/or clients, directly or indirectly, have a position of interest. As stated above, our supervised persons are required to follow our Code. Subject to satisfying the Code and applicable laws, our supervised persons may trade for their own accounts securities which are recommended to our clients. Therefore, since the Code would permit in some circumstances, our supervised persons to invest in the same securities as clients, there is a possibility that our supervised persons might benefit from market activity by a client in a security held by our supervised persons. These particular supervised persons’ trading is continually monitored under the Code, to reasonably prevent conflicts of interest between us, our supervised persons and our clients.

We will provide the current copy of the Code to you upon request at no charge. You may request a copy of our Code by contacting our Chief Compliance Officer, Carolyn Owen at (989) 748-8555.

## **ITEM 12: BROKERAGE PRACTICES**

### **Directed Brokerage & Soft Dollars**

We will maintain an approved broker-dealer list with whom we transact. The criteria by which broker-dealers will be selected shall include but is not limited to:

- Updated dealer financials and firm’s FINRA BrokerCheck report
- Broker’s bio and broker’s FINRA BrokerCheck report

- Access to underwritten and secondary offerings
- Timely and accurate execution
- Consistency and reliability
- Accurate clearance, error correction and dispute resolution capabilities
- Market intelligence and trade flow analysis
- Other brokerage or research services

The approved broker-dealer list will be reviewed at least annually.

Our practice is to obtain multiple offers from the approved broker-dealer list when purchasing a security. Once all offers are received, the security that best fits the required parameters is selected at the lowest price offered. Conversely, when selling a security, multiple bids will be received prior to its sale. The highest price, and therefore most profit to our client, will be selected to complete the transaction.

Fixed-income broker-dealers are not paid on a commission structure like stock trading; rather, they are paid on the bid/ask spread upon executing transactions. Therefore, we are not able to compare commissions, but can only compare the price at which we are able to buy or sell.

We do not have any soft dollar arrangements with our approved broker-dealers, nor do we receive referrals from them. We do not recommend, request or require that a client direct its transactions to specific broker-dealers, nor do we recommend our client to direct brokerage.

If a client directs us to utilize a specified broker-dealer, of the client's choosing, to effect transactions for or with the client's account or the client's agreement states a directed brokerage arrangement with a specified financial services firm. The client should understand that, in the case of such a directed brokerage arrangement, (1) the client will be solely responsible for negotiating the terms and arrangements on which those brokers and dealers are engaged, and we will have no responsibility for reviewing the fairness of those terms and arrangements; (2) we will not seek better execution services or prices from other brokers and dealers in connection with transactions for the client's account; (3) we will not be able to "batch" or "aggregate" transactions for the account of the client with transactions for our other clients not subject to a similar such arrangement; (4) we will not monitor the performance of or the services provided by the brokers and dealers so designated; (5) and as a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. However, if the designated broker or dealer is unable or unwilling to effect a particular transaction, which may occur with certain transactions involving fixed-income securities, we may seek better execution services or prices from other brokers or dealers.

### **Aggregation of Orders**

We may aggregate security purchases or sales for clients when possible, under the premise that the execution of these orders results in the best price for our clients under the circumstances. Given our clients' unique balance sheets, policies and objectives, aggregation may not always be possible or appropriate.

### **Trade Error Policy**

We have the responsibility to process trade orders correctly, promptly and ensure the best interests of our clients are served. From time to time, we may make an error when submitting a trade such as,

- the purchase or sale of the wrong security (e.g., use the wrong CUSIP number);
- the purchase or sale of an incorrect face amount of a security;
- the purchase or sale of a security at a price not in accordance with instructions; or
- a purchase of a security when the intent was to sell, or vice versa.

In the event an error occurs in the handling of any client transaction, our policy is to seek to identify and correct any errors as promptly as possible without disadvantaging the client or benefiting us.

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

Client portfolios are reviewed on a monthly basis by Tamara McGovern, President and CEO. Additionally, Ms. McGovern will meet with the clients' Board of Directors, Asset/Liability Committee, and/or Investment Committee on an as-needed basis with a target of at least once annually. Monthly portfolio reports that will be provided to clients via email will include (but are not limited to):

- Portfolio Summary
- Portfolio by Maturity
- Portfolio by Type of Security
- Portfolio by Average Life
- Duration Analysis
- Cash Flow Analysis
- Regulatory Rate Shock Test (if applicable)
- Market Sensitivity



- Current Ratings, e.g. Moody's, S&P, etc.
- Current Holdings

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

We must disclose any economic benefits we or our representatives receive for providing investment advice and other services to you. We must also inform you if we or a related person directly or indirectly compensate a third-party for referring clients to us. We have no information to disclose.

#### **ITEM 15: CUSTODY**

You will receive statements, at least quarterly, from the qualified custodian that holds and maintains your investment assets. We urge you to carefully review such statements and compare such official custodial records to your account statements that we may provide to you, as described in "ITEM 13: REVIEW OF ACCOUNTS" beginning on page 6. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Our valuation methodology is described above in "ITEM 5: FEES AND COMPENSATION" beginning on page 2.

#### **ITEM 16: INVESTMENT DISCRETION**

We do not accept discretionary authority to manage securities accounts on behalf of our clients.

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

As a matter of firm policy, we do not have any authority to and do not vote proxies on behalf of our clients. The occasion to vote proxies on fixed income securities is very rare. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in accounts. We do not provide advice to clients regarding the clients' voting of proxies.

#### **ITEM 18: FINANCIAL INFORMATION**

As a registered investment adviser, we must inform you of certain financial information or disclosures about our financial condition if we have financial commitments that impair our ability to meet contractual and fiduciary commitments to you. We have not been the subject of a bankruptcy proceeding and do not have any financial commitments that would impair our ability to meet any contractual or fiduciary commitments to you.