

**Item 1 – Cover Page**

Seven Canyons Advisors, LLC  
Part 2A of Form ADV  
The Brochure

22 East 100 South, 3<sup>rd</sup> Floor  
Salt Lake City, UT 84111

March 19<sup>th</sup> 2020

This brochure provides information about the qualifications and business practices of Seven Canyons Advisors, LLC (the “Investment Manager”, “Seven Canyons” or “IM”). If you have any questions about the contents of this brochure, please contact us at (707) 328-7037. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. The IM’s CRD Number is 290334. Registration as an investment adviser does not imply any particular level of skill, competency or training in connection with providing investment advisory services.

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

## **Item 2 – Material Changes**

This version of Part 2A of Form ADV (“Firm Brochure”) and Part 2B of Form ADV (“Supplement Brochure”), dated March 19<sup>th</sup> 2020, is an annual amendment brochure document prepared in accordance to the SEC’s requirements and rules, which mandate that advisers provide a Firm Brochure in narrative “plain English” format.

### **Summary of Material Changes**

In January Seven Canyons moved to a new office located at 22 East 100 South, 3<sup>rd</sup> Floor, Salt Lake City, UT 84111 which was addressed in the last update. Additionally, Wes Golby left Seven Canyons at the beginning of 2020. Besides those two items there have been no material changes since the last update.

### **Full Brochure Available**

We will provide you with a new version of the Brochure as necessary based on changes or new information, at any time, without charge. Request a complete copy of our Firm Brochure and/or Supplemental Brochure by contacting Spencer Stewart, at 22 East 100 South, 3<sup>rd</sup> Floor, Salt Lake City, UT 84111 or via email at [spencer@scadvs.com](mailto:spencer@scadvs.com).

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## **Item 4 – Advisory Business**

Seven Canyons Advisors, LLC (the “Investment Manager”, “Seven Canyons” or “IM”) is an investment adviser registered with the U.S. Securities and Exchange Commission. The IM is a Delaware limited liability company formed on September 18, 2017 and maintains its principal place of business in the state of Utah at 22 East 100 South, 3<sup>rd</sup> Floor, Salt Lake City, UT 84111.

The IM was founded and is managed by Spencer Stewart, Joshua Stewart, Samuel Stewart, and Eric Moessing.

### General Description of Advisory Services

The IM utilizes a “bottom-up” process of fundamental analysis to identify and select investment opportunities on behalf of client accounts. Seven Canyons provides investment management services to mutual funds and a private fund. The IM’s only clients are these pooled investment vehicles.

### Mutual Funds

The IM serves as the investment adviser to the Seven Canyons World Innovators Fund and the Seven Canyons Strategic Income Fund (each a “Mutual Fund” and collectively the “Mutual Funds”). The Mutual Funds are offered by prospectus only. The prospectus includes investment objectives, risks, fees, expenses and other information prospective investors should read and consider carefully before investing. The prospectus is publically available on the Seven Canyon website ([www.sevencanyonsadvisors.com](http://www.sevencanyonsadvisors.com)), and on the EDGAR database on the SEC’s website ([www.sec.gov](http://www.sec.gov)).

### Private Fund

Seven Canyons serves as the investment manager and general partner to the Ark Global Emerging Companies, L.P. (the “EC Fund”). The EC Fund’s investments are managed in accordance with investment objectives set forth in the EC Fund’s confidential offering memorandum and such investments are not tailored to the individual needs of any particular limited partner.

As of December 31, 2019, the IM had \$168,004,771 in assets under management.

## **Item 5 – Fees and Compensation**

### **Mutual Funds:**

In consideration for providing investment management services to the Mutual Funds Seven Canyons receives an investment management fee according the fee schedule listed in the Prospectus of each fund. Additional information about the Mutual Funds, including fees charged is contained in each Mutual Fund's Prospectus, which is publicly available at the Seven Canyon's website ([www.sevencanyonadvisors.com](http://www.sevencanyonadvisors.com)), and on the EDGAR database on the SEC's website ([www.sec.gov](http://www.sec.gov)).

### **Private Fund:**

In consideration for its services to the EC Fund, Seven Canyons receives a management fee (the "Management Fee") paid monthly in arrears equal to 0.125% (1.5% *per annum*) of the ending capital account balance (the "Capital Account") of each Limited Partner for such calendar month. The Capital Account of a Limited Partner making a withdrawal other than the last day of a month will be charged a *pro rata* portion of the Management Fee immediately prior to such withdrawal based on the number of days elapsed during such month and the portion withdrawn from such Capital Account. Additionally, Seven Canyons, may earn an annual performance allocation based on the EC Fund attaining certain performance metrics. All EC Fund fees and expenses are established by the EC Fund's governing documents (the "EC Fund Agreements") and are described in the EC Fund's offering memorandum (the "Memorandum").

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

As stated in the "Fees and Compensation" section (Item 5), the IM is entitled to receive an annual performance profit allocation (the "*Performance Allocation*") based on the EC Fund attaining certain performance metrics. As such, there is a conflict of interest in allocating potentially more favorable investment opportunities to the EC Fund that pays a Performance Allocation fee to Seven Canyons. Performance based compensation also creates an incentive to allocate potentially riskier, but potentially better performing, investments to the EC Fund in an effort to increase Performance Allocation.

The Firm mitigates this conflict of interest by allocation investment opportunities in a fair and equitable manner consistent with the investment objective and strategy of each client account and in accordance with the Firm's allocation policies and procedures.

## **Item 7 – Types of Clients**

Seven Canyons provides services to investment companies and private funds.

The EC Fund managed by Firm has an investment minimum purchase requirement which is described in the Memorandum, although Seven Canyons has discretion to modify that minimum purchase requirement.

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

The discussion in this section applies to the Mutual Funds and the EC Fund.

- Potential investors in the Mutual Funds should read and carefully consider each Fund's prospectus and other offering documents for additional information on a respective fund's investment strategies and risks.
- Potential investors in the EC Fund should carefully review the Memorandum and other documents for additional information on the fund's investment strategies and risks. The EC Fund seeks to maintain its structure as to not be required to register as an investment company under the Investment Company Act of 1940 ("1940 Act") and, therefore, the EC Fund investors will not have benefit of various protections afforded by the 1940 Act.

Seven Canyons use a combination of "bottom up" fundamental analysis as well as internal research and proprietary screening techniques to identify and select investment opportunities for client accounts.

### **General Risk Factors**

INVESTING IN SECURITIES INVOLVES RISK OF LOSS WHICH ALL INVESTORS SHOULD BE PREPARED TO BEAR.

Market Risk: Stock prices fluctuate in response to many factors, including the activities of individual companies and general market and economic conditions. Regardless of any one company's particular prospects, a declining stock market may produce a decline in stock prices for all companies. Stock market declines may continue for an indefinite period of time, and investors should understand that from time-to-time during temporary or extended bear markets, the value of a Client's portfolio could decline.

Economic Risk: Changes in economic conditions, including, for example, changes in interest rates, inflation rates, employment conditions, competition, technological developments, political and diplomatic events and trends, and tax laws may adversely affect the business prospects or perceived prospects of the companies in which the Funds are invested. None of

these conditions are within the control of the IM and no assurances can be given that the IM will anticipate these developments. Accordingly, adverse economic changes may cause losses.

Investment Strategy Risk. Trading and other investing decisions of the IM are on a discretionary basis using various methods of analysis and no assurance can be given that such trading strategies used by the IM will be successful, or that losses could not occur. The IM's judgments about the attractiveness, value, and potential for appreciation of particular investments in which a Client's assets are invested may prove to be incorrect and there is no guarantee that the IM's judgment will produce the desired results.

### **Instruments Traded**

Equity Securities. The value of the equity securities held are subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and generally more risky than some other forms of investment.

Exchange Traded Funds. ETFs are a type of investment security representing an interest in a passively managed portfolio of securities selected to replicate a securities index, such as the S&P 500 Index or the Dow Jones Industrial Average, or to represent exposure to a particular industry or sector. Unlike open-end mutual funds, the shares of ETFs and closed-end investment companies are not purchased and redeemed by investors directly with the fund, but instead are purchased and sold through broker-dealers in transactions on a stock exchange. Because ETF and closed-end fund shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. In addition to bearing the risks related to investments in equity securities, investors in ETFs intended to replicate a securities index bear the risk that the ETFs performance may not correctly replicate the performance of the index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs, and other expenses; therefore, to the extent the Funds invest in ETFs, Limited Partners may incur certain duplicative fees and expenses, including management fees incurred at the ETF level and the Fund level. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.

Option Transactions. The purchase or sale of an option involves the payment or receipt of a premium payment and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying investment for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying investment does not change in price in the manner expected, so that the option expires worthless and the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying investment in excess of the premium payment received.

Exchange Traded Notes. ETNs are senior, unsecured, unsubordinated debt securities whose returns are linked to the performance of a particular market benchmark or strategy minus applicable fees. ETNs are traded on an exchange (e.g., the NYSE) during normal trading hours. However, investors can also hold the ETN until maturity. At maturity, the issuer pays to the investor a cash amount equal to the principal amount, subject to the day's market benchmark or strategy factor. ETNs do not make periodic coupon payments or provide principal protection. ETNs are subject to credit risk and the value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying market benchmark or strategy remaining unchanged. The value of an ETN may also be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying assets, changes in the applicable interest rates, changes in the issuer's credit rating, and economic, legal, political, or geographic events that affect the referenced underlying asset. ETNs are also subject to tax risk. . There may be times when an ETN shares trades at a premium or discount to its market benchmark or strategy.

Non-U.S. Exchanges and Markets. Trading on such exchanges and markets may involve certain risks not applicable to trading on U.S. exchanges and is frequently less regulated. For example, certain of those exchanges may not provide the same assurances of the integrity (financial and otherwise) of the marketplace and its participants, as do U.S. exchanges. There also may be less regulatory oversight and supervision by the exchanges themselves over transactions and participants in such transactions on those exchanges. Some non-U.S. exchanges, in contrast to U.S. exchanges, are "principals' markets" in which performance is the responsibility only of the individual member with whom the trader has dealt and is not the responsibility of an exchange or clearing association. Furthermore, trading on certain non-U.S. exchanges may be conducted in such a manner that all participants are not afforded an equal opportunity to execute certain trades and may also be subject to a variety of political influences and the possibility of excessive taxation and/or direct government intervention. Investment in non-U.S. markets would also be subject to the risk of fluctuations in the exchange rate between the local currency and the U.S. dollar and to the possibility of exchange controls. Foreign brokerage commissions and other fees are also generally higher than in the United States. In addition, the Funds' rights and responsibilities if a non-U.S. exchange or clearing house defaults or declares bankruptcy are likely to be more limited than if a U.S. exchange does the same. Consequently, daily price movements for these instruments may be unlimited, and there can be no guarantee that markets will exist for liquidation of such instruments following investment.

Small Capitalization Stocks. (i.e., generally having market capitalizations less than or equal to \$2 billion). While the IM believes that such companies often provide significant potential for appreciation, their stocks involve higher risks in some respects than do investments in stocks of larger companies. Micro and small-capitalization companies may be of a less seasoned nature than larger companies. Companies in which the Funds may invest may have limited product lines, markets or financial resources, and may lack management depth and may be more vulnerable to adverse business or market developments. Micro and small-capitalization companies may also have securities that are traded over-the-counter. These "secondary"



securities often involve significantly greater risks than the securities of larger, better-known companies. In addition to being subject to the general market risk that stock prices may decline over short or even extended periods, such companies may not be well-known to the investing public, and may not have significant institutional ownership.

Micro and small-capitalization securities may be followed by relatively few (or no) securities analysts with the result that there tends to be less publicly available information concerning these securities compared to what is available for exchange-listed or larger companies. The securities of these companies have more limited trading volumes than those of larger issuers, which results in greater sensitivity of the market price to individual transactions, and as such they may be subject to more abrupt or erratic movements in price than the securities of larger, more established companies or the market averages in general, and the Firm may be required to deal with only a few market makers when purchasing and selling these securities. Transaction costs in micro and small-capitalization stocks may be higher than those involving larger capitalized companies. In combination, these factors make an investment in micro and small-capitalization stocks potentially less liquid than an investment in larger-cap companies. Accordingly, investors in the Funds should have a long-term investment horizon.

Convertible Securities Convertible securities (“Convertibles”) are generally debt securities or preferred stocks that may be converted into common stock. Convertibles typically pay current income as either interest (debt security convertibles) or dividends (preferred stocks). A Convertible’s value usually reflects both the stream of current income payments and the value of the underlying common stock. The market value of a Convertible performs like that of a regular debt security; that is, if market interest rates rise, the value of a Convertible usually falls. Since it is convertible into common stock, the Convertible generally has the same types of market and issuer risk as the underlying common stock. Convertibles that are debt securities are also subject to the normal risks associated with debt securities, such as interest rate risks, credit spread expansion and ultimately default risk, as discussed below. Convertibles are also prone to liquidity risk as demand can dry up periodically, and bid/ask spreads on bonds can widen significantly.

An issuer may be more likely to fail to make regular payments on a Convertible than on its other debt because other debt securities may have a prior claim on the issuer’s assets, particularly if the Convertible is preferred stock. However, Convertibles usually have a claim prior to the issuer’s common stock.

In addition, for some Convertibles, the issuer can choose when to convert to common stock, or can “call” (redeem) the Convertible. An issuer may convert or call a Convertible when it is disadvantageous for the Funds, causing the Funds to lose an opportunity for gain. For other Convertibles, the Funds can choose when to convert the security to common stock or to put (sell) the Convertible back to the issuer.

New Issues -New Issues” as the term is defined Rule 5130 and Rule 5131. Such investments offer the opportunity for significant appreciation; however, they are speculative and involve a high degree of risk. It is characteristic of the initial public offerings market that certain

companies may be extremely successful, while a much higher percentage of new public companies fail. Thus, the risk of investing in initial public offerings is substantially greater than investing in the stock market as a whole.

Derivative Investments. Derivatives are financial contracts whose value depends on, or is derived from, an underlying product, such as the value of a securities index. The risks generally associated with derivatives include the risks that: (1) the value of the derivative will change in a manner detrimental to the Funds; (2) before purchasing the derivative, the Funds will not have the opportunity to observe its performance under all market conditions; (3) another party to the derivative may fail to comply with the terms of the derivative contract; (4) the derivative may be difficult to purchase or sell; and (5) the derivative may involve indebtedness or economic leverage, such that adverse changes in the value of the underlying asset could result in a loss substantially greater than the amount invested in the derivative itself or in heightened price sensitivity to market fluctuations.

Derivatives markets can be highly volatile. The profitability of investments by the Funds in the derivatives markets depends on the ability of the IM to analyze correctly these markets, which are influenced by, among other things, changing supply and demand relationships, governmental, commercial and trade programs and policies designed to influence world political and economic events, and changes in interest rates. In addition, the assets of the Funds may be pledged as collateral in derivatives transactions. Thus, if the Funds default on such an obligation, the counterparty to such transaction may be entitled some or all of the assets of the Funds as a result of the default.

Futures. Futures markets are highly volatile. Investing in the futures markets involves being able to analyze correctly such markets, which are influenced by, among other things, changing supply and demand relationships, weather, governmental, agricultural, and commercial and trade programs and policies designed to influence commodity prices, world political and economic events, and changes in interest rates. Moreover, investments in commodities, futures, and options contracts involve additional risks including, without limitation, leverage (i.e., margin is usually only Five Percent (5%) to Fifteen Percent (15%) of the face value of the contract and exposure can be nearly unlimited) and credit risk vis-à-vis the contract counterparty.

Futures positions may be illiquid because certain commodity exchanges limit fluctuation in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract increases or decreases by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Funds from promptly liquidating unfavorable positions and subject it to substantial losses.

Illiquid Investments. The Funds may invest in securities, loans or other assets for which no (or only a limited) liquid market exists or that are subject to legal or other restrictions on transfer.

It may take the Funds longer to liquidate these positions (if they can be liquidated) than would be the case for more liquid investments. The prices realized on the resale of illiquid investments could be less than those originally paid by the Funds. The market prices, if any, for such assets tend to be volatile, and may fluctuate due to a variety of factors that are inherently difficult to predict including, but not limited to, changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic or international economic or political events, developments or trends in any particular industry, and the financial condition of obligors on the Funds' assets. The Funds may not be able to sell assets when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of illiquid assets and restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

Securities Regulations Concerning Private Placements. The Funds may invest in securities that are not registered under the Securities Act. The Funds will purchase such securities in reliance upon an exemption from registration pursuant to the provisions of the Securities Act including those provided by Regulation D. Unless such securities are subsequently registered under the Securities Act, they may not be offered or sold except pursuant to an exemption therefrom, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities law. Therefore, securities purchased pursuant to such exemptions including Regulation D are often illiquid.

Restricted Securities. The Funds may invest in restricted securities that are subject to substantial holding periods or that are not traded in public markets. Restricted securities generally are difficult or impossible to sell at prices comparable to the market prices of similar securities that are publicly traded. No assurance can be given that any such restricted securities will be eligible to be traded on a public market even if a public market for securities of the same class were to develop. It is highly speculative as to whether and when an issuer will be able to register its securities so that they become eligible for trading in public markets.

Private Investments in Public Equities ("PIPEs"). Many PIPEs investors focus on making directly negotiated private investments in public and non-public companies, typically focused primarily on providing alternative funding options for small to mid-sized publicly traded companies with lower market capitalizations. PIPEs investors generally invest at terms which are more favorable than those available in the public markets for the corresponding companies.

There are generally two types of PIPEs: traditional and structured. A traditional PIPEs transaction is one in which stock, either common or preferred, is issued at a set, negotiated price, to raise capital for a company. A structured PIPE is one in which convertible debt, either common or preferred, is issued at a set, negotiated discount to an indeterminate future price.

PIPEs have become a popular form of financing for micro-cap and small-cap companies that may not have access to the more traditional forms of equity financing.

The securities issued in a PIPEs transaction are generally unregistered shares of the company. Accordingly, such securities are considered to be illiquid and may not be re-sold until they are eventually registered under the federal securities laws. This lock-up period may last for several months or more.

A PIPEs transaction is a negotiated agreement between two parties and is not subject to regulatory review by the SEC or any other regulatory agency or sold pursuant to an exemption from registration.

In connection with a PIPE investment, the Funds may be obligated to pay all or part of the registration expenses, and, due to delays in the registration process, a considerable period may elapse between the time of the Funds' decision to sell and the time such security may be sold under an effective registration statement. If adverse market conditions were to develop during such a period, the Funds might obtain a less favorable price than the price it could have obtained at the time of its decision to sell the security. Further, there is no assurance that the public company will satisfy its registration obligations, in which case, the Funds may only be able to sell such securities under Rule 144 under the Securities Act. Any such developments may have a material adverse effect on the assets of the Funds.

Emerging Markets. The securities markets of emerging countries are generally smaller, less developed, less liquid and more volatile than the securities markets of the U.S. and developed foreign markets. Disclosure and regulatory standards in many respects are less stringent than in the United States and developed foreign markets. Accounting and auditing standards in many markets are different and sometimes significantly differ from those applicable in the United States or Europe. There is substantially less publicly available information about companies located in emerging markets than there is about companies in other more developed jurisdictions. There also may be a lower level of monitoring and regulation of securities markets in emerging market countries and the activities of investors in such markets, and enforcement of existing regulations has been extremely limited.

Many emerging countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and may continue to have very negative effects on the economies and securities markets of certain emerging countries.

Economies in emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of these countries also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. The economies of countries with emerging markets may also be predominantly based on only a few industries or dependent on revenues

from particular commodities. In addition, custodial services and other costs relating to investment in foreign markets may be more expensive in emerging markets than in many developed foreign markets, which could reduce the Funds' income from such securities.

In many cases, governments of emerging countries continue to exercise significant control over their economies and government actions relative to the economy, as well as economic developments generally, may affect the capacity of issuers of emerging country debt instruments to make payments on their debt obligations, regardless of their financial condition. In addition, there is a heightened possibility of expropriation or confiscatory taxation, imposition of withholding taxes on interest payments or other similar developments that could affect investments in those countries. There can be no assurance that adverse political changes will not cause the Funds to suffer a loss of any or all of its investments and, in the case of fixed-income securities, interest thereon.

Many emerging countries are undergoing important political and economic changes that are making their economies more free-market oriented. However, there could be future political and economic changes that may return the situation to closed and centrally controlled economies with price and foreign exchange controls. Many of these countries lack the legal, structural and cultural basis for the establishment of a dynamic, orderly market-oriented economy. Many of the promising changes that are being seen at present could be reversed causing significant impact on the Funds' investment returns.

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

Neither the IM nor Spencer Stewart, Joshua Stewart, Samuel Stewart, or Eric Moessing have been involved in any legal or disciplinary events that would be material to an investor's evaluation of the IM.

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

Neither the IM nor any of its affiliated persons are (i) registered, or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer or (ii) are registered, or have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities.

Neither the IM, nor any of its affiliated persons recommends or selects other investment advisers for the Funds nor has the authority to delegate investment discretion over the Funds to any third-party manager or adviser.

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

The IM owes a fiduciary duty to its investing clients, (the Mutual Funds and the EC Fund), that requires the IM to act in their best interest. The IM has adopted a Code of Ethics that obligate itself and its principals to put the interests of their clients, , before their own interests and to

act honestly and fairly in all respects in their dealing with clients. All the IM's principals and employees ("**Supervised Persons**") are also required to comply with all applicable federal securities laws. All Supervised Persons are required to read and become familiar with the ethical standards described in the Code of Ethics and are required from time to time to affirm their agreement to adhere to such standards by signing a compliance certificate. The Code of Ethics include the IM's policies as they relate to general ethical principles, personal securities trading, reporting ethical violations, distribution of the Code, and review and enforcement processes. Limited Partners or prospective Limited Partners may obtain a copy of the Code of Ethics by contacting Eric Moessing by email [Eric@scadvs.com](mailto:Eric@scadvs.com) or by telephone at (707) 328-7037.

The Performance Allocation received by the IM is based on realized and unrealized gains and losses. As a result, the Performance Allocation earned could be based on unrealized gains that clients may never realize.

Neither the IM nor any of its affiliated persons (i) recommends securities to clients (or buys or sells for client accounts) in which the IM or any such affiliated persons have a material financial interest, or (ii) invests in the same securities (or related securities) on a proprietary basis as the IM or affiliated person recommends to clients (or buys or sells for client accounts).

## **Item 12 – Brokerage Practices**

### **Private Fund Brokerage Practices:**

Brokerage fees paid by the EC Fund to a broker may be greater than those typically paid by accounts similar if the IM has determined that the execution and other services rendered by a particular broker merit greater than typical fees. Individual investors in the EC Fund do not have the authority to direct brokerage.

The IM intends generally to consider the amount and nature of services provided by brokers as well as the extent to which such services are relied on, and will attempt to allocate a portion of the brokerage business of the EC Fund and any such other accounts and entities on the basis of such considerations. The services received from brokers, however, may be used by the IM and its affiliates and principals in servicing some or all of such other accounts and entities, but not all such information may be used by the IM in connection with the EC Fund.. The IM believes that such an allocation of brokerage business will help to obtain research and execution capabilities and provides other benefits to the EC Fund.

If, in the IM's reasonable judgment, the aggregation of sale and purchase orders of securities for the EC Fund with similar orders for the other accounts is reasonably likely to result in administrative convenience or an overall economic benefit to all accounts based on an evaluation that the accounts are benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions or a combination of these and other factors, the IM may place "bunched orders" with respect to such trades. A bunched order is a group of orders for more than one client entered as one order. Bunched orders will be

allocated to client accounts in a systematic non-preferential manner. If the bunched order does not fill at one price, resulting in partial fills, allocations to client accounts will be made on an average pricing basis. Average pricing amounts to adding up all the buys or sells at their particular price levels, multiplied by the number of contracts at each particular price level, and dividing by the total number of contracts to determine an average price for the whole bunched order. This is standard industry practice and the broker's back office will facilitate the process.

#### **Mutual Fund Brokerage Practices:**

The IM considers the following factors when selecting brokerage firms used to execute the Mutual Funds' trades:

- Trade Implementation Costs
- Market Liquidity Provided
- Confidentiality of Trading Intentions
- Investment Styles (compatibility between us and the brokerage firm)
- Trade Error Resolution Process
- Financial Stability
- Ability to Execute Difficult Trades
- Other Factors Which May Be Identified By Us From Time To Time

#### **Research and other Soft Dollars Benefits:**

Consistent with obtaining best execution for clients, the IM directs certain mutual fund transactions to brokers who provide valuable research and execution services to the IM. These services are based on the safe harbor requirements of Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment our own internal research and investment strategy capabilities. Selected brokers are typically paid commissions for executing client transactions that exceed the commissions other brokers would have charged for the same transactions, provided that the IM determines in good faith that the commissions are reasonable in relation to the value of the brokerage and/or research services provided for our clients.

#### **Item 13 – Review of Accounts**

The IM, and its principals Spencer Stewart, Josh Stewart, Sam Stewart, and Eric Moessing, will monitor profit and loss, risk and allocation parameters of the Mutual Funds' and the EC Fund's investments on a daily basis. Holdings are monitored in light of a variety of factors including trading activity, market developments, significant corporate developments and other activities which may dictate a change in portfolio positions.

Investors receive reports from the Fund's pursuant to each Fund's offering documents.

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

The IM may share a portion of the Management Fee and/or Performance Allocation its earns from the EC Fund with individuals and entities registered as broker dealers, who refer investors to the Funds. These referral payments are not charged to investors in the Funds (e.g. do not change the fees charged to investors) and therefore do not pose a conflict of interest with respect to the IM's fiduciary duty to the Funds. An investor being introduced by a third party broker dealers will be fully informed that a portion of the IM's Management and/or Performance Fee will be shared with such broker dealer. .

## **Item 15 – Custody**

To the extend in order to comply with applicable custody rules Seven Canyons will provide EC Fund investors with audited financial statements within 120 days of the EC Fund's fiscal year end.

## **Item 16 – Investment Discretion**

Seven Canyons provides investment management services to the EC Fund and the Mutual Funds on a discretionary basis. Prior to assuming full discretion in managing a Fund's assets, the IM enters into an investment management agreement or other agreement that sets forth the scope of the IM's discretion.

Seven Canyon has the authority to determine (i) the securities to be purchased and sold for each Fund (subject to restrictions on its activities set forth in the applicable investment management agreements and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the Fund. Because of the differences in investment objectives and strategies, risk tolerances, tax status and other criteria, the following factors, the may be differences among the Funds in invested positions and securities held. The IM may consider the following factors, among others, in allocating securities among Funds (i) investment objectives and strategies; (ii) risk profiles; (iii) tax status and restrictions placed on a Fund's portfolio by applicable law; (iv) size of the Fund; (v) nature and liquidity of the security to be allocated; (vi) size of the available position; (vii) current market conditions; and (viii) account requirements for liquidity and timing of cash flows.

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

The IM shall vote proxies relating to issuers of securities owned by the Funds. The IM shall covenant to vote such proxies in a manner that is in the best interest of the Funds', together, and each Fund, respectively.



Absent specific client instructions, the IM has adopted the following proxy voting procedures designed to ensure that proxies are properly identified and voted, and that any conflicts of interest are addressed appropriately:

In determining whether a proposal serves the Funds' best interests, the IM considers a number of factors, including:

- the proposal's economic effect on shareholder value;
- the threat that the proposal poses to existing rights of shareholders;
- the dilution of existing shares that would result from the proposal;
- the effect of the proposal on management or director accountability to shareholders; and
- if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual.

If a material conflict of interest over proxy voting arises between the IM and the Funds, the IM will vote all proxies in accordance with the policy described above. The IM does not allow Limited Partners to direct proxy voting.

Information regarding such policies and a copy of the policies and procedures manual may be obtained by emailing the IM at [Spencer@scadvs.com](mailto:Spencer@scadvs.com).

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

Neither the IM nor Spencer Stewart, Josh Stewart, Sam Stewart, or Eric Moessing have ever filed for bankruptcy and there does not exist any type of financial condition that would adversely affect its or his respective ability to manage the Funds.

## **Privacy Policy**

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Seven Canyons does not disclose nonpublic personal information about its clients or former clients to third parties other than as described below. Seven Canyons collects information about its clients (such as name, address, social security number, assets and income) from the Firm's discussions with clients, from documents that clients may deliver to the Firm (such as subscription documents) and in the course of providing services to clients. In order to service clients' accounts and effect investment transactions, Seven Canyons may provide clients' personal information to the Firm's affiliates and to firms that assist Seven Canyons in servicing client accounts and have a need for such information, such as brokers, distributors, legal counsel, fund administrators, or accountants. Seven Canyons does not otherwise provide information about clients to outside firms, organizations, or individuals except as required or permitted by law. Any party that receives this information will use it only for the services required and as allowed by applicable law or regulation, and is not permitted to share or use this information for any other purpose.

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SEVEN CANYONS ADVISORS, LLC  
Part 2B of Form ADV  
The Brochure

22 East 100 South, 3<sup>rd</sup> Floor  
Salt Lake City, UT 84111

March 19<sup>th</sup> 2020

This brochure supplement provides information about Spencer Stewart ("**Spencer Stewart**") (CRD: 5504744) that supplements the brochure providing the qualifications and business practices of Seven Canyons Advisors, LLC (CRD: 290334) (the "**IM**"). You should have received that brochure. Please contact Spencer Stewart, manager of the IM, at (801)-349-2759 or at [Spencer@scadvs.com](mailto:Spencer@scadvs.com) if you did not receive the IM's brochure or if you have any questions about the contents of this brochure. 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. Registration as an investment adviser does not imply any particular level of skill, competency or training in connection with providing investment advisory services.

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

## Item 2- Educational Background and Business Experience

Spencer Stewart, born in 1978, is the founder of Seven Canyons Advisors. Before founding Seven Canyons, Spencer worked at Grandeur Peak Advisors where he was a Portfolio Manager for the Emerging Markets Opportunities, International Opportunities and Global Reach Funds from August 2011 until October 2017. Immediately prior, Spencer Stewart was an Institutional Sales Representative at Sidoti & Company, LLC from March 2008 until August 2011. Spencer Stewart became one of Sidoti's leading institutional sales people, while maintaining his passion for stock picking. Sidoti's participation in a global alpha capture program earned him top rank 3 years running. Spencer Stewart attended the University of Utah for a semester in the spring of 1998 before pursuing other endeavors. He returned to his studies at the University of Utah from June 2003 through June 2004, and thereafter transferred to the University of Phoenix from March 2008 through May 2009. He further studied at Baruch College from June 2009 through June 2011.

## Item 3- Disciplinary Information

Spencer Stewart has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Spencer Stewart or the IM.

## Item 4- Other Business Activities

Spencer Stewart is the sole owner of Ohana Asset Management, LLC, a Utah limited liability company ("*Ohana*"). In July 2017, Ohana, utilizing Spencer Stewart's personal capital, made one (1) real estate investment in a parcel of land located in Wasatch County, Utah. Spencer Stewart does not intend for Ohana to make any additional investments. Ohana composes less than ten percent (10%) of Spencer Stewart's time and income. As such, Ohana does not pose a conflict of interest with Spencer Stewart's management of the IM or the Funds.

Further, Spencer Stewart is not otherwise actively engaged in any investment-related business or occupation, nor is he otherwise actively engaged in any other type of business or occupation that accounts for a substantial portion of his income or a substantial portion of his time.

## Item 5- Additional Compensation

Spencer Stewart does not receive any additional economic benefit as the manager of the IM in connection with providing services to the Funds other than those outlined herein.

## Item 6 - Supervision

As a manager of the IM, Spencer Stewart, Manager, maintains ultimate responsibility for the Funds' operations with Josh Stewart, Manager, Sam Stewart, Manager, and Eric Moessing, Manager. Spencer Stewart is responsible for the supervision of his own

activities. As provided for in each Fund's limited partnership agreement, the IM is the sole decision-maker with respect to managing the Funds' investment decisions. Spencer Stewart can be reached via telephone at (801) 349-2759).

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This brochure supplement provides information about Eric Moessing ("***Eric Moessing***") (CRD: 6881347) that supplements the brochure providing the qualifications and business practices of Seven Canyons Advisors, LLC (CRD: 290334) (the "***IM***"). You should have received that brochure. Please contact Spencer Stewart, manager of the IM, at (801) 249-2729 or at [Spencer@scadvs.com](mailto:Spencer@scadvs.com) if you did not receive the IM's brochure or if you have any questions about the contents of this brochure. 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. Registration as an investment adviser does not imply any particular level of skill, competency or training in connection with providing investment advisory services.

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

## Item 2- Educational Background and Business Experience

Eric Moessing, born in 1974, is a founding partner of Seven Canyons Advisors. Before joining Seven Canyons in November 2017, Eric Moessing worked as a CEO in the health/senior care industry for thirteen years, achieving clinical and financial success in an evolving and highly regulated industry. From May 2004 through March 2012, Eric Moessing was the CEO/Executive Director of Park View Gardens, a Rehab, Nursing and Health Care facility in Santa Rosa, California. Thereafter, from March through August 2012, Eric Moessing was organizing and preparing to launch The Annadel Group in August 2012, an operator of assisted living facilities where Eric Moessing is the CEO and owner in addition to his current role with Seven Canyons Advisors. Eric Moessing attended the University of California at San Diego from September 1992 to June 1993, and, following a hiatus for other ventures, transferred to receive his Bachelors' of Science from Brigham Young University where he studied from August 1995 through graduation in April 1998. Eric Moessing thereafter received his MBA from Brigham Young University where he studied from August 2002 through graduation in April 2004.

## Item 3- Disciplinary Information

Eric Moessing has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Eric Moessing or the IM.

## Item 4- Other Business Activities

Eric Moessing is not actively engaged in any investment-related business or occupation. Eric Moessing is the Owner and CEO of The Annadel Group, a senior assisted living facility. Eric Moessing devotes approximately thirty (30) to forty (40) hours per month supporting the onsite manager, procuring supplies and ensuring the well-being of residents and families. Eric Moessing has wide time flexibility in conducting such responsibilities for The Annadel Group.

## Item 5- Additional Compensation

Eric Moessing does not receive any additional economic benefit as the manager of the IM in connection with providing services to the Funds other than those outlined herein.

## Item 6 - Supervision

As a Manager of the IM, Eric Moessing, maintains ultimate responsibility for the Funds' operations with Spencer Stewart, Manager, Josh Stewart, Manager and Sam Stewart, Manager. Eric Moessing is responsible for the supervision of his own activities. As provided for in each Fund's limited partnership agreement, the IM is the sole decision-maker with respect to managing the Funds' investment decisions. Eric Moessing can be reached via telephone at (707) 328-7037.

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This brochure supplement provides information about Samuel Stewart ("**Sam Stewart**") (CRD: 1817659) that supplements the brochure providing the qualifications and business practices of Seven Canyons Advisors, LLC (CRD: 290334) (the "**IM**"). You should have received that brochure. Please contact Spencer Stewart, manager of the IM, at (801) 249-2729 or at [Spencer@scadvs.com](mailto:Spencer@scadvs.com) if you did not receive the IM's brochure or if you have any questions about the contents of this brochure. 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. Registration as an investment adviser does not imply any particular level of skill, competency or training in connection with providing investment advisory services.

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



## **Sam Stewart's Biographical Information**

### **Item 2- Educational Background and Business Experience**

Sam Stewart born in 1942, is a founding partner of Seven Canyons Advisors. Before joining Seven Canyons in September 2018, Sam Stewart founded Wasatch Advisors, Inc. in 1975 and most recently served as Chairman of the Board. He has been a Portfolio Manager for the World Innovators Fund since 2008 and for the Strategic Income Fund since 2006. Prior to founding Wasatch, Dr. Stewart was chief financial analyst with the U.S. Securities and Exchange Commission in the Division of Investment Management Regulation. He has also been a professor of finance at Columbia University's Graduate School of Business and at the University of Utah. Dr. Stewart received a Master of Business Administration in 1969 and a Doctorate in Finance in 1970 from Stanford University where he held the Alfred P. Sloan, Jr. Fellowship.

### **Item 3- Disciplinary Information**

Sam Stewart has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Sam Stewart or the IM.

### **Item 4- Other Business Activities**

Sam Stewart is not actively engaged in any investment-related business or occupation.

### **Item 5- Additional Compensation**

Sam Stewart does not receive any additional economic benefit as the manager of the IM in connection with providing services to the Funds other than those outlined herein.

### **Item 6 - Supervision**

As a Manager of the IM, Sam Stewart, maintains ultimate responsibility for the Funds' operations with Spencer Stewart, Manager, Josh Stewart, Manager and Eric Moessing, Manager. Sam Stewart is responsible for the supervision of his own activities. As provided for in each Fund's limited partnership agreement, the IM is the sole decision-maker with respect to managing the Funds' investment decisions. Sam Stewart can be reached via telephone at (801) 349-2827.

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22 East 100 South, 3<sup>rd</sup> Floor  
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March 19<sup>th</sup> 2020

This brochure supplement provides information about Josh Stewart ("**Josh Stewart**") (CRD: 4710606) that supplements the brochure providing the qualifications and business practices of Seven Canyons Advisors, LLC (CRD: 290334) (the "**IM**"). You should have received that brochure. Please contact Spencer Stewart, manager of the IM, at (801) 249-2729 or at [Spencer@scadvs.com](mailto:Spencer@scadvs.com) if you did not receive the IM's brochure or if you have any questions about the contents of this brochure. 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. Registration as an investment adviser does not imply any particular level of skill, competency or training in connection with providing investment advisory services.

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

## **Josh Stewart's Biographical Information**

### **Item 2- Educational Background and Business Experience**

Josh Stewart, born in 1977, is a founding partner of Seven Canyons Advisors. Before joining Seven Canyons in September 2017, Josh Stewart worked at Wasatch Advisors as a portfolio manager. Josh Stewart has been a Portfolio Manager for the World Innovators Fund since 2012. He rejoined Wasatch Advisors in 2006 as a Senior Equities Analyst on the international research team. Prior to rejoining Wasatch, Josh Stewart worked as an equity analyst with Sidoti & Company in New York City. He was also employed by Wasatch as a research associate from 1990 until 1996. Josh Stewart graduated cum laude from the University of Utah with a Bachelor of Arts in French Literature and a minor in Mathematics. Josh Stewart also studied French at L'Institut Touraine in Tours, France, and Spanish at El Centro Bilingue in Cuernavaca, Mexico.

### **Item 3- Disciplinary Information**

Josh Stewart has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Josh Stewart or the IM.

### **Item 4- Other Business Activities**

Josh Stewart is not actively engaged in any investment-related business or occupation. Josh Stewart is the Co-Owner of East Liberty Tap House, a restaurant in Salt Lake City, UT. He has no operational responsibilities in this venture.

### **Item 5- Additional Compensation**

Josh Stewart does not receive any additional economic benefit as the manager of the IM in connection with providing services to the Funds other than those outlined herein.

### **Item 6 - Supervision**

As a Manager of the IM, Josh Stewart, maintains ultimate responsibility for the Funds' operations with Spencer Stewart, Manager, Eric Moessing, Manager and Sam Stewart, Manager. Josh Stewart is responsible for the supervision of his own activities. As provided for in each Fund's limited partnership agreement, the IM is the sole decision-maker with respect to managing the Funds' investment decisions. Josh Stewart can be reached via telephone at (801) 349-2773.