



# GLOBAL VALUE INVESTMENT CORP

RESEARCH & ADVISORY

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**FORM ADV - PART 2A, APPENDIX 1**

**March 31, 2021**

This brochure provides information about the qualifications and business practices of Global Value Investment Corp ("GVIC"). If you have any questions about the contents of this brochure, please contact us at (262) 478-0640. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

References to GVIC as a "registered investment advisor" or any reference to being "registered" does not imply a certain level of skill or training.

## Item 2. Material Changes

- James P. Geygan (JP) was promoted to Chief Operations Officer and Senior Vice President. He was also appointed as Chief Information Systems Officer. JP previously held the role of VP-Research.
- Stacy Wilke was hired as Chief Financial Officer and Senior Vice President. She was also appointed as Chief Compliance Officer. Stacy previously held the role of external Controller.
- GVIC received a Payroll Protection Program (PPP) loan from the Small Business Association (SBA). GVIC used the loan for operating costs, mainly salaries, due to reduced revenue during the pandemic. GVIC expects the loan will be fully forgiven.

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#### **Item 4. Advisory Business**

Global Value Investment Corp (“**GVIC**”) is a Delaware corporation offering investment research and advisory services to a wide variety of clients. GVIC began providing research and advisory services in 2007. Jeffrey R. Geygan is Chief Executive Officer and President of GVIC, an employee-owned business. The firm is headquartered in Milwaukee, WI with offices in Boston, MA, Morristown, NJ and Charleston, SC. GVIC has a wholly owned subsidiary, Global Value Research Company India Private Limited, with an office in Hyderabad, India, which assists with the firm’s research and analysis.

GVIC only engages in businesses described in this brochure. As of March 15, 2021, GVIC had total assets under management of \$103,516,585 of which \$100,858,132 were discretionary assets and \$2,658,453 were non-discretionary assets.

GVIC and its divisions act as portfolio managers for a wrap fee program and receive a fee as described below. Because GVIC absorbs nearly all client transaction costs, a financial incentive, and thus a conflict of interest, exists to limit overly frequent transactions as doing so reduces the firm’s operating income. The advisory services offered by GVIC and its operating divisions are more fully described below in Item 5, Fees and Compensation.

##### **Investment Research and Advisory Services**

The operating divisions of GVIC tailor the research and advisory services they provide to accommodate the needs of individual clients. GVIC continually seeks to manage client portfolios in a manner consistent with client-specific investment profiles. Clients are advised to promptly notify the respective operating division if any changes occur in their financial situation or if they wish to place any limitations or restrictions on the management of their portfolio.

GVIC has four service divisions: Milwaukee Private Wealth Management, Milwaukee Institutional Asset Management, Global Value Partners, and Global Value Research Company.

##### ***Milwaukee Private Wealth Management (“MPWM”) - Private Investors***

MPWM’s services to individuals are principally advisory in nature regarding the management of their financial resources based on an analysis of individual client needs. A firm associate begins providing services by conducting a complimentary initial consultation. During this initial consultation, pertinent information about the client’s financial circumstances and objectives are collected. The information collection process typically addresses present and anticipated assets and liabilities, including investments, savings, and retirement or other employee or employer benefits. The primary objective of this process is to allow the firm to assist the client in developing a strategy for the successful management of income, assets, and liabilities to meet the client’s financial goals and objectives.

Once a client’s financial circumstances are determined, a portfolio is established and the investments within the portfolio are managed by the firm. Discretionary authority is granted

by each client so that the firm's advisor can select the securities to buy and sell, the amount to buy and sell, and when to buy and sell.

***Milwaukee Institutional Asset Management ("MIAM") - Institutional Investors***

MIAM serves institutional investors, such as registered investment advisory firms (RIAs) and their investment advisor representatives (IARs), broker-dealers (BDs) and their registered representatives (RRs), and other institutional investors and their clients on either a sub-advisory, or a third-party manager basis. When the firm provides these advisory services, the firm has limited or no direct communication with the client, but rather enters into an agreement with the client's advisor who communicates with the client. Clients generally engage their advisor and agree to pay a fee based on a percentage of the assets under management.

GVIC establishes the actual fee paid by these clients. MIAM receives a portion of the fee for providing services as agreed upon in the sub-advisory or third-party manager agreement.

The client's advisor will provide MIAM with certain information related to the client, such as a client questionnaire, the client's custodial account paperwork, a listing of investment restrictions and objectives, and a suitability analysis, which can include targeted time horizon, risk tolerance, and long-term goals. MIAM uses the client information to provide sub-advisory services to the advisor with respect to the client account(s).

***Global Value Partners ("GVP") – Accredited Investors***

GVP's investment strategy concentrates on influencing a company's operations and governance. GVP invests in public companies with attractive business models that it believes trade significantly below appraised value primarily due to underperforming operations and/or management. GVP attempts to work with company management and its board of directors to execute GVP's strategic and operational initiatives designed to increase the long-term investment value of the targeted company. GVP's price target for each investment is derived from rigorous fundamental analysis of the company's financial condition, its competitive positioning, and the prospects for improved shareholder value resulting from GVP's influence.

Clients of GVP must be "qualified clients" as defined in Rule 205-3 under the Investment Advisors Act of 1940, as amended (the "Advisors Act").

Discretionary authority is granted by each client so that GVP's advisor can select securities to buy and sell, the amount to buy and sell, and when to buy and sell to pursue the strategies described above.

***Global Value Research Company ("GVRC") – Institutions and Issuers***

GVIC's investment research and analysis is conducted through its GVRC division. Associates of GVRC source, develop, research, and analyze a wide variety of equity and debt investment situations to determine whether they can be candidates for inclusion in MPWM, MIAM, or GVP client portfolios. Reports on the condition of the prospective investment are created and shared with GVIC's portfolio managers for consideration in

client portfolios. GVRC creates written investment research reports that are suited to institutions or companies seeking issuer-sponsored research. GVRC receives a fee or compensation in both situations. When offering issuer-sponsored research for compensation, a disclosure is included indicating GVRC is compensated for producing each report. Whether an institution or an issuer, a separate engagement agreement is signed by both parties memorializing the relationship.

MPWM and MIAM observe investment policies, limitations, and restrictions set by clients. For registered investment companies, MIAM's authority to trade securities can also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Client-specific investment guidelines or restrictions must be provided to MPWM or MIAM in writing. MPWM's investment advisory services agreement allows clients the ability to specify restrictions before the account is taken under management. MIAM requires its institutional client to share its client restrictions or limitations in advance of MIAM accepting the client account. This, however, does not preclude the client from making periodic changes to existing restrictions.

GVP pursues a concentrated investment strategy on behalf of its clients. GVP's "qualified clients" are not able to set investment guidelines or restrictions since the portfolio is necessarily concentrated and can hold a single security in addition to money market funds or cash. (Not available in all states)

## **Item 5. Fees and Compensation**

### **Investment Research and Advisory Services Fees**

Fees for investment research and advisory services are negotiable. Advisory fees are generally calculated as a percentage of the total value of assets under management. Research reporting fees are generally a flat annual fee. A summary of GVIC's fees and compensation is provided below.

**MPWM** - MPWM's wrap fee covers investment advisory services as well as custody and most transaction costs, including brokerage commissions and other trading costs charged by third parties (other than those specifically referenced below). The fee does not include the following:

- (a) charges for services provided by MPWM, its affiliates, or third parties which are outside of the scope of the Services agreement (e.g., attorney, accountant, retirement plan administration fees, trustee fees, wire transfer fees, etc.);
- (b) taxes or fees imposed by exchanges or regulatory bodies, including ADR fees;
- (c) mark-ups and mark-downs on principal trades;
- (d) brokerage commissions and other fees and charges imposed because the client, MPWM or a third-party manager chooses to effect securities transactions for the client's account with or through a broker-dealer other than the client's custodian;
- (e) commissions on transactions initiated by a client in a discretionary account;

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- (f) commissions on transactions occurring after a notice of termination with respect to the advisory agreement is provided; and
- (g) internal operating expenses on mutual funds and exchange traded funds (which are disclosed in a fund's prospectus).

Each of these additional charges are separately charged to the client's account or reflected in the price paid or received for a given security.

Asset Value of Account			Maximum Annual Fee
\$0	to	\$500,000	1.50%
\$500,001	to	\$1,000,000	1.25%
\$1,000,001	to	\$5,000,000	1.00%
\$5,000,001	+		0.75%

Advisory fees are payable quarterly, in advance and are calculated based on the market value of securities in the client's account, including any balances held in money market funds and cash. The value of related accounts can, at MPWM's discretion, be combined for fee calculation purposes. Clients can elect to be billed directly for fees or to authorize MPWM to directly debit fees from client accounts. Upon written notice of termination of any account, any prepaid, unearned fees will be refunded.

**MIAM** - MIAM's wrap fee covers investment advisory services as well as custody or transaction costs, which typically include brokerage commissions and other trading costs charged by third parties (other than those specifically referenced below). The fee does not include the following:

- (a) charges for services provided by MIAM, its affiliates or third parties which are outside of the scope of the services agreement;
- (b) taxes for fees imposed by exchanges or regulatory bodies, including ADR fees;
- (c) mark-ups and mark-downs on principal trades;
- (d) brokerage commissions and other fees and charges imposed because the client chooses to effect securities transactions for the client's account with or through a broker-dealer other than the client's custodian;
- (e) commissions on transactions initiated by a client;
- (f) commission on transaction occurring after notice of agreement termination is provided; and
- (g) internal operating expenses on mutual funds and exchange traded funds (which are disclosed in a fund's prospectus).

In addition, any commissions charged for transactions occurring after notice termination of the services agreement are the obligation of the client. Each of these additional charges are separately charged to the client's account or reflected in the price paid or received for a given security.

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Asset Value of Account			Maximum Annual Fee
\$0	to	\$10,000,000	0.80%
\$10,000,001	to	\$25,000,000	0.75%
\$25,000,001	+		0.70%

Fees are payable quarterly, in advance or arrears as negotiated between parties and are calculated based on the market value of securities in the client's account, including any balances held in money market funds and cash. The value of related accounts can be combined for fee calculation purposes.

The institutional client agrees to pay MIAM, and MIAM agrees to accept as full compensation for all services provided by MIAM as specified in the schedule above, or as agreed to under a separately negotiated fee schedule included in the sub-advisory or third-party manager engagement agreement. All compensation to MIAM ceases at termination of the sub-advisory or third-party manager engagement agreement on a pro rata basis. Upon termination of any account, any unearned fees will be refunded, and earned, unpaid fees will be billed to the institutional client and paid to MIAM.

**GVP** - Each client, whether an individual, institutional entity, or investment company, pays GVP a management fee ("Investment Advisory Fee") and, to the extent permitted by applicable law, a success fee ("Success Fee Distribution") based upon the increase in the net asset value of the client investment.

The Success Fee Distribution is generally 20% of distributions made to the client account, after a return of the initial capital investment.

From time to time, GVP will establish special purpose vehicles as well as separate account vehicles to co-invest with, or to invest alongside, GVIC's other clients in one or more investment ideas. The Success Fee Distributions and other success-based compensation charged or allocated with respect to such special purpose vehicles and separate accounts can differ from the Investment Advisory Fees and Success Fee Distributions described above.

**GVRC** - GVRC provides investment research services to institutional investors and public companies on a negotiated basis. Agreements between GVRC and an institution or a public company for investment research services vary depending upon the specific requirements, analytical time and effort, complexity of the investment under review, report detail and formatting, and other factors.

GVRC can be engaged by institutional investors seeking written investment research reports on companies owned and monitored by the firm in some or all client portfolios. A public company can also engage GVRC to write investment research reports on the company for further distribution to market participants through a broad range of distribution channels such as FactSet Research Systems, S&P Capital IQ, Refinitiv Eikon (f/k/a Thompson Reuters) investment research platforms, and directly to investment advisors and institutional investors. When engaged by a public company, GVRC receives compensation from the company to write an investment research report.



GVRC's engagement agreement has a beginning period of one (1) year, renewable monthly thereafter. Either party can terminate the agreement after the initial term by providing advance written notice. A negotiated fee will be paid upon the commencement of the agreement for the applicable period in advance and generally range from \$25,000 to \$75,000 per annum.

### **General Information Regarding Fees**

Initial investment advisory services fees are calculated from the date an account is opened through the last business day of that calendar quarter and are prorated accordingly. Fees are also prorated for each capital contribution and withdrawal made during the applicable calendar quarter (except for *de minimis* contributions and withdrawals). GVIC (including its divisions) or the client can terminate the investment advisory services agreement within five business days of the date of acceptance without penalty. After the five-day period, either party can terminate the advisory services agreement by providing advance written notice, five days for MPWM and ten days for MIAM, to the other party. Clients will incur a pro rata charge for advisory services rendered prior to the termination date. GVIC (including its divisions) can amend its fee schedule upon thirty days advance written notice to the client.

In the event exchange-traded funds or mutual funds are part of a client's portfolio, the funds themselves charge additional and separate internal fees that are more fully described in their offering documents and generally included in unit price. Therefore, when these funds are in a client's account, two advisory fees are imposed: (1) internal fees of the fund, and (2) those charged by GVIC. Depending on the fund, a client can invest directly in the shares issued by the fund with or without incurring any sales charges and an additional third-party management fee.

GVIC believes its fees for services are competitive; however, lower fees for similar services can be obtained from other service providers.

### **Fee Payment**

Fees payable to GVIC for investment advisory services are, with the client's prior permission, automatically deducted from the client's account when due. GVIC will utilize available cash or liquidate money market fund shares to pay the fee, but if money market shares or cash value are not available, other investments will be liquidated. Authorization for the deduction of fees from the managed account is contained in each client's agreement with GVIC or the applicable division. At any time, clients can terminate an authorization for automatic deduction of fees by notifying GVIC in writing.

### **Wrap Program Disclosure (a single fee for service agreement)**

Wrap programs can cost clients more or less than participating in a non-wrap program (i.e. paying for brokerage costs as they occur) as the fees clients pay do not vary based on the number of transactions that occur in their accounts. Because GVIC (including its divisions) absorbs transaction costs, its representatives giving advice have a financial incentive to not trade frequently since doing so increases the transaction costs to GVIC and reduces its operating income.

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

### **Performance-Based Fees and Side-by-Side Management**

Fees charged in connection with services provided by MPWM and MIAM are calculated as described above. Neither MPWM nor MIAM's fees are calculated on the basis of a share of capital gains upon, or capital appreciation of, client accounts (MPWM and MIAM do not charge or receive a Success Fee Distribution).

To the extent permitted by applicable law, GVP receives a Success Fee Distribution (generally up to 20% of distributions made to client accounts after capital is returned) based on the increase in the net asset value of client investments. The Success Fee Distribution is more fully described above, in Item 4 and limited to clients described in Item 5.

GVP faces conflicts of interest in managing performance-based accounts while GVP personnel concurrently manage asset based, nonperformance-based accounts in their capacity as personnel of the other GVIC operating entities. For example, the nature of a performance fee creates an opportunity for GVP to earn more compensation than under a stand-alone asset-based fee. Because of this, GVP may favor performance fee accounts over those accounts where an operating division receives only an asset-based fee.

GVP has established policies and procedures to address the various conflicts of interest associated with charging a performance-based fee.

## **Item 7. Type of Clients and Account Requirements**

### **MPWM**

MPWM offers advisory services to a wide variety of clients including, but not limited to: individuals, high net-worth individuals, corporate pension and profit-sharing plans, charitable organizations, foundations, and endowments. MPWM requires a minimum of \$1,000,000 of investment assets from a client to establish an investment advisory relationship. Required minimum investment assets are subject to review and negotiation.

### **MIAM**

MIAM offers investment advisory services to registered investment advisory firms and their investment advisor representatives, broker-dealers and their registered representatives, and other institutional investors. MIAM requires a minimum of \$5,000,000 of investment assets from an institutional client to establish an investment advisory relationship. Required minimum investment assets are subject to review and negotiation.

### **GVP**

GVP offers investment advisory services to only those persons that are "qualified clients" as defined in Rule 205-3 of Advisors Act. GVP requires a minimum of \$1,000,000 of investment assets from a client to establish an investment advisory relationship. Required minimum investment assets are subject to review and negotiation. (Not available in all states)

## **GVRC**

GVRC offers investment research services to institutional investors and public companies.

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

#### **Methods of Analysis, Investment Strategies, and Risk of Loss**

GVIC advisors use the methods of analysis described below when making recommendations for clients. This, however, should not be understood to limit in any way GVIC's investment activities. GVIC can offer any advisory services, engage in any investment strategy, and make any investment, including any not described in this Brochure, that GVIC considers appropriate, subject to each client's investment objectives and guidelines.

GVIC's investment research process incorporates a wide variety of informational sources. Security analysis typically begins with company-filed SEC documents (or similar filings) that include Form 10-Q, Form 10-K, Form 20-F, Form 8-K, Form 6-K, DEF 14A proxy statement, company offering documents, or other offering memorandum as well as Schedule 13-G and Schedule 13-D, financial publications, newspapers and magazines, research materials prepared by others, corporate/credit rating services, annual reports, and company press releases. GVIC purchases various sources of research and information in the marketplace and uses other sources of information that have been developed over years of experience and practice that constitute a portion of GVIC's intellectual property and proprietary knowledge.

***Fundamental Analysis*** - Fundamental analysis involves an evaluation of an issuer's financial condition and competitive position. GVIC analyzes an issuer's financial condition, the capabilities of management, earnings capacity, products and services, as well as its position among competitors.

Uncertainty of utilizing this method of analysis: Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This method normally encourages equity and debt investments in companies that are undervalued or priced below their perceived value. The uncertainty assumed by GVIC is that market participants will continuously fail to set a price at a level equal to GVIC's perceived value.

GVIC applies this method of analysis by focusing on the following strategies: GVIC advisors implement various short-term and long-term investment strategies and give advice and take action in the performance of their duties to a client which can differ from advice, timing, and action taken with other client's accounts. GVIC advisors will make a reasonable effort to follow all investment management restrictions and instructions expressed to the firm by the client.

***Short-Term and Long-Term Strategies*** – Long-term purchases can be viewed as holding investments for at least one year. Short-term purchases include investments sold within one year. When pursuing long-term investment strategies, GVIC assumes the financial markets will go up in the long-term. Long-term growth of broad financial markets cannot be assured. There is also the uncertainty that the segment of the market that clients

are invested in will go down over time even if the overall market advances. In addition, purchasing investments for the long-term creates an opportunity cost, “locking-up” assets that could be better utilized in the short-term in other investments.

GVIC’s investment strategies necessarily entail uncertainties that are inherent when investing in an uncertain world. GVIC invests in and trades securities and other financial instruments for clients using strategies and investment techniques that are subject to various uncertainties, including some amount of company leverage and the potential illiquidity of a company’s security. GVIC clients must be prepared to bear the possibility of capital losses and extended periods of market price variability.

Clients’ investment programs can include investment techniques that involve significant uncertainty such as price variability, illiquidity, management misstatements, company fraud, and portfolio concentration. GVIC can offer no guarantee or representation to any client that an investment strategy will be successful, that the client will achieve a targeted rate of return, or there will be a positive return on invested capital.

Specific uncertainties include:

***Tailoring Investment Strategies*** - Investment strategies developed by MPWM and MIAM on behalf of their clients are tailored to the investment objectives of each client. There can be no assurance that MPWM or MIAM will be successful in executing such strategies.

The success of GVP’s active management investment strategy can require, among other things, that (i) GVP properly identifies companies whose security price can be increased through GVP’s active influence on, and involvement in, the management of such companies or through other corporate control strategies; (ii) GVP clients acquire sufficient securities or other instruments of or relating to such companies; (iii) GVP avoids triggering anti-takeover and regulatory obstacles while aggregating its position; (iv) management of such companies and other stakeholders respond positively to GVP’s proposals; and (v) the market price of such companies’ securities increase in response to actions taken by such companies in connection with GVP’s proposals.

There can be no assurance that any of the foregoing will succeed. Successful execution of an investment strategy with respect to a company can depend on the actions of other stakeholders, whose interests may not be aligned with those of GVP’s clients. Moreover, securities that GVP believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the timeframe GVP anticipates, even if GVP’s strategy is successfully implemented. Even if the price for a company’s security has increased, there is no assurance that the client will be able to realize any increase in the value of the investment.

***Concentration of Holdings*** - At any given time, a client’s assets can become concentrated in the holdings of a single company or small group of companies. In such cases, a client’s portfolio will be more susceptible to fluctuations in value resulting from conditions affecting the company or companies compared to the results of a more broadly diversified portfolio. As a result, a client’s returns can be more volatile and can be affected

substantially by the success or failure of only one or a few holdings. GVIC is does not generally hedge client positions to protect against such fluctuations.

**Highly Variable Market Pricing** - The prices of a client's investment holdings can be highly variable. Price movements of some investments in which GVIC's clients can be invested are influenced by a variety of factors including, among other things, interest rates, levels of supply and demand, actual or perceived credit risks, regulatory changes, and national and international political and economic events and policies. In addition, governments can from time to time intervene in certain investment markets, particularly those in government bonds, currencies, and financial instruments, which can adversely affect return on investment. GVIC's clients are also subject to the uncertainty of the failure of any exchange on which securities trade.

**Non-U.S. Investments** - GVIC can invest a portion of a client's portfolio outside the United States in non-dollar denominated securities, including in securities issued by foreign companies and the governments of foreign countries and in foreign currencies. These investments involve different types of uncertainties than those typically associated with investments in U.S. companies or securities issued by the U.S. government. Because investments issued by foreign issuers can involve foreign currencies, clients can be affected positively or negatively by changes in currency exchange rates (including as a result of the devaluation of a foreign currency) and in exchange control regulations and can incur transaction costs in connection with conversions between currencies.

In addition, unlike with most U.S. companies, GVIC may not be able to obtain the same amount of information regarding a foreign company or such information may not be reliable. The securities markets in some foreign countries can be less rigorous than those in the United States. Some foreign securities markets have a higher potential for price variability and illiquidity compared to most U.S. securities markets. With respect to certain countries, there can be the possibility of expropriation or confiscatory taxation, political, economic, or social instability, limitation on the removal of funds or other assets or the repatriation of profits, restrictions on investment opportunities, the imposition of trading controls, withholding or other taxes on interest, dividends, capital gain, other income, gross sale, or disposition proceeds, import duties or other protectionist measures, various laws enacted for the protection of creditors, greater uncertainty of nationalization, or diplomatic developments which can adversely affect investments in those countries.

**Currency** - GVIC can invest in equity and debt securities denominated in various currencies, the price of which is determined with reference to such currencies. To the extent unhedged, the value of the net asset will fluctuate with the U.S. dollar exchange rate as well as with price changes in the various local markets and currencies. Thus, any change in the value of the U.S. dollar relative to the currencies in which an investment is denominated can magnify the effect of increases or decreases in the prices of the client's securities in their local markets. Currency forward contracts and over-the-counter options can be utilized to hedge against any potential currency fluctuations. GVIC is not required to hedge and typically does not use derivatives to hedge. There can be no assurance that any hedging transactions, even if undertaken, will be effective.

***Investments in Undervalued Securities*** - GVIC's investment strategy is designed to invest in securities it believes are undervalued. The identification of investment opportunities in undervalued securities is a challenging task. There can be no assurances such opportunities will be identified or successfully executed. While investments in undervalued securities offer the potential opportunity for above-average capital appreciation, these investments involve an element of financial uncertainty and can result in capital loss. In GVP's active investment strategy, this uncertainty can be amplified by concentration as discussed above.

GVIC can invest a client's assets in fixed income securities, including, without limitation, commercial paper and debt securities. It is likely that a major economic recession could severely disrupt the market for such securities and can have an adverse impact on the value of such securities.

In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to make payments thereon and increase the incidence of default for such securities. Unforeseen circumstances such as market disruptions could cause the price of such securities to decline substantially.

Investing in securities that appear to be undervalued is no guarantee that these securities will not be trading at even more undervalued levels at a time such securities are sold.

***Trading in Illiquid Securities*** - Certain securities in which GVIC invests client assets can be relatively illiquid. Such securities can prevent a client from liquidating positions promptly and subject the client to loss.

***Regulatory Restrictions*** - The investment strategies pursued by GVIC, and particularly those of GVP, can be affected by state law, U.S. Federal law, and the laws of other applicable jurisdictions governing the securities in which clients invest, which can inhibit GVIC's ability to freely acquire and dispose of certain securities. Such regulations can materially adversely affect the value of a client's investment. Any changes to government regulations can make some or all forms of investment strategies unlawful or impractical. Accordingly, such changes, if any, can have an adverse effect on the achievement of a client's investment objective.

***Minority Investments; Third-Party Stakeholders*** - GVIC will primarily invest in minority positions of companies and GVIC's clients will generally have no legal right to appoint a director or otherwise exert material influence or control over the management of such companies. As a result, the value of a client's investment will be based, in large part, on the existing management, board of directors, and other stakeholders which have controlling interests in such companies and the interests of such third parties cannot be aligned with, and can conflict with, the interests of GVIC's clients.

***Investments in Early-Stage Companies*** - GVIC can invest in the securities of early-stage companies. Investments in such early-stage companies can involve more uncertainty than investments in more established companies. To the extent there is any public market for such securities, they can be subject to more abrupt and erratic market price movements than those of larger, more established companies. Early-stage companies tend to have



lower capitalizations and fewer resources, and therefore are often more vulnerable to financial failure. Such companies also have shorter operating histories on which to judge future performance.

Early-stage companies with little or no operating history can require substantial additional capital to support expansion or to achieve or maintain a competitive position and can produce substantial variations in operating results or operate at a loss. Information relied upon by GVIC, such as documents filed with the SEC, may not be available for early-stage companies and, as a result, investment in such companies can have a higher degree of uncertainty.

GVIC can recommend partnerships or other less-liquid investments as part of its strategy. These investments can only be offered to clients that meet regulatory standards for investable assets or income and generally involve a higher level of uncertainty than traditional investments in equity and debt securities.

This is not a complete list of the uncertainties involved when investing in the capital markets. Investing in securities and other investment products involves inherent uncertainty, including the possible loss of the total principal amount invested, which clients must be prepared to bear. Clients who are investing in mutual funds or exchange traded products should refer to the underlying fund's prospectus for additional disclosures. Although GVIC seeks to achieve the investment objectives and financial goals of its clients, past investment performance does not guarantee future results and GVIC is unable to make any guarantees to clients with respect to avoiding monetary losses.

## **Item 9. Disciplinary Information**

### **Disciplinary Information**

Neither GVIC nor any of its investment advisor representatives have been involved in any legal or disciplinary actions related to the firm's advisory business.

Current disciplinary histories of GVIC and its investment advisor representatives can be obtained by searching the Investment Advisor Public Disclosure (IAPD) website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), operated by the Securities and Exchange Commission (SEC).

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

### **Other Financial Industry Activities and Affiliations**

The Principals and other members and employees of GVIC can serve as directors (or in a similar capacity) of companies in which client funds are invested. Because of their relationship with GVIC, and influence over the associates of the operating divisions of GVIC, a conflict of interest exists when clients of GVIC purchase shares of any such company on the advice of MPWM, MIAM, or GVP. To minimize this conflict, these individuals will remove themselves from making any investment decisions relating to that company's securities. Details of these procedures are provided in GVIC's Code of Ethics.

Jeffrey R. Geygan serves as Chairman of the Board of Directors of Wayside Technology Group, Inc. ("Wayside"), for which he receives compensation customary of the position. Wayside is listed on the Nasdaq Global Market under the ticker: WSTG.

A separate portfolio manager supervises the investment research and analysis of the company and makes all decisions as to buying and selling shares for client accounts without discussions with that individual or other officers of the company. All such decisions are made based upon the objectives and best interests of each client's account. Furthermore, GVIC has internal procedures that forbid individuals from purchasing or selling the shares of the company for their own account or accounts in which they have a beneficial interest based on material non-public information they received as a result of being a director.

GVRC provides research reporting services to publicly traded companies for compensation. Issuer-sponsored research can be seen as inherently conflicted because the company that is the subject of the report is paying the party performing the research.

All research published by GVRC is based on public information, is for informational purposes only, and is not intended as an offer to sell or a solicitation to buy securities. GVRC does not engage in, or receive compensation from, any investment banking or corporate finance-related activities with the companies discussed in its reports.

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

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

GVIC has adopted a Code of Ethics for all supervised persons and employees describing its high standard of business conduct and fiduciary duty to clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons, associates, and employees of GVIC must acknowledge the receipt of and terms of the Code of Ethics annually, or as amended.

GVIC anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which it has management authority to effect and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which GVIC, its affiliates and/or clients, directly or indirectly, have a position of interest, including when GVRC is compensated for creating investment research reports on companies in which clients are invested. All GVIC supervised persons, employees, and persons associated with it are required to follow GVIC's Code of Ethics. Subject to satisfying this policy and applicable laws, directors, officers, and employees of GVIC can trade for their own accounts in securities which are recommended to and/or purchased for clients.

The Code of Ethics is designed to ensure the personal securities transactions, activities, and interests of the employees of GVIC, which can result in actual or potential conflicts of interest, will not interfere with (i) making decisions in the best interest of advisory clients; and (ii) implementing such decisions while, at the same time, allowing employees to invest for their



own accounts. Under GVIC's Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of GVIC's clients. In addition, the Code of Ethics requires approval of most transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics.

GVRC takes steps to minimize real and potential conflicts associated with issuer-sponsored research, including actions intended to promote the independence of its analysts. Such actions include requiring advance fee arrangements with subject companies (irrespective of the outcome of the report) and providing analysts with full discretion with respect to the rating and target valuation based on the analyst's due diligence. No part of any analyst's compensation is, or will be, directly or indirectly, related to the specific recommendations or views expressed in any report published by GVRC.

GVRC does not make a market in any securities on which it reports. However, MPWM, MIAM, and GVP, the investment management divisions of GVIC, can recommend the securities of the issuers that are the subject of GVRC's reports to their clients. In such cases, the MPWM, MIAM, and GVP advisors making recommendations can personally own the securities being recommended. GVIC has established a Code of Ethics to govern conflicts of interest that can arise in situations where the interests of clients and GVIC (including its employees) potentially conflict. GVIC is obligated to always do what is in the best interests of its clients.

Certain affiliated accounts can trade in the same securities with client accounts on an aggregated basis when consistent with GVIC's obligation of best execution. In such circumstances, the affiliated and client accounts will receive securities at a total average price. GVIC will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order.

Completed orders will be allocated as specified in the initial trade order. It is GVIC's policy to allocate partially filled trade orders to accounts as follows: for buy orders, accounts with the highest percentage level of cash will be executed first and then in descending order; for sell orders, accounts with the highest percentage ownership level of the security being sold will be executed first and then in descending order. GVIC utilizes this partial order treatment for all types of securities.

It is GVIC's policy that it will not execute any principal or agency cross securities transactions for client accounts. GVIC will also not cross trades between client accounts.

GVIC's clients or prospective clients can request a copy of the Code of Ethics by contacting the firm's Chief Compliance Officer.

## **Item 12. Brokerage Practices**

### **Brokerage Practices**

GVIC may aggregate or “block” transaction orders for numerous clients when it believes it is in the clients' best interest to do so. By doing so, GVIC may be able to decrease brokerage and transaction costs to its clients through volume discounts and lower commissions that are not available to smaller volume transactions. Aggregating trades or “block” trading orders also permits GVIC to enter and exit securities markets on behalf of clients in an efficient and organized manner and attempt to obtain the best market pricing given the market conditions.

The firm's investment strategies can be price sensitive and often require a specific price to be met on a block trade, potentially resulting in more transactions being partially filled. When the aggregated order is filled, each client participating in the block trade order receives an average price. GVIC and its employee accounts may be part of an aggregated order placed to buy or sell a particular security. Thus, when GVIC or a related person's account holds the same security that is within one or more client accounts or needs to buy the same security that one or more client accounts will buy, there is an inducement for GVIC to create the “block” because the average price may be better than the price the related account could have achieved alone. In all cases client needs and objectives are placed ahead of those of GVIC and its related person accounts.

Where “block” orders are only partially filled, the available shares are allocated based on the percentage of cash in client accounts, starting with those with the highest percentage of cash available. Because of this method of allocation clients having a low percentage of cash may not participate in the transaction. When a “block” order is executed, GVIC allocates an average execution price to each client's position within the “block”. Clients should be aware that although GVIC may place a “block” order, the executing broker may unbundle the order and execute each order for a client's account on an individual basis resulting in different execution prices to each client. Also, an exact average price may not occur as a result of the brokerage firm applying varying commission discounts to various client accounts. GVIC and its employee accounts may be part of a “block” order placed to buy or sell a particular security.

## **Item 13. Review of Accounts**

### **Review of Accounts**

Investment management involves periodic monitoring and review of portfolio holdings. GVIC's policy generally entails quarterly internal reviews, however, these reviews can occur more or less frequently, depending on the underlying assets in the portfolios or as desired by the client. Such reviews are conducted by GVIC's portfolio managers and research analysts.

GVIC will review investment results, asset allocations, client objectives, and other variables that have been identified during the client engagement. Clients are encouraged to notify GVIC immediately of any changes in their financial status in the event there needs to be a change in their investment objectives. Other factors that can trigger an additional review include, but

are not limited to, unusual industry developments, changes in the state of the economy, the complexity of the individual client portfolio, changes in a client's situation including investment goals, financial position, tax considerations or individual investment developments, i.e., marriage, divorce, death, a change in employment, the birth of a child, retirement, etc. GVIC encourages periodic personal meetings or telephone meetings to review investment results and strategies.

Clients receive standard account statements from third-party custodians monthly or quarterly. Clients also receive confirmation statements as investment transactions occur. GVIC prepares periodic valuation reports for client review. Clients are advised to review statements and confirmations received from the custodian for accuracy, and to the extent GVIC provides reports to clients, clients are also advised to compare GVIC-prepared materials to those provided by the custodian.

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

##### **Client Referrals and Other Compensation**

GVIC does not currently have any client referral relationships and does not direct brokerage transactions to any third-party in return for client referrals. In the future, GVIC might enter into new client referral agreements with firms or individuals qualified to solicit client relationships. Information related to any client referral arrangement, including any conflict of interest raised by the arrangement, will be fully disclosed to clients prior to accepting the client's account for investment advisory services.

#### **Item 15. Custody**

##### **Account Custody**

GVIC typically recommend Schwab Advisors Services a division of Charles Schwab & Co, Inc. ("Schwab"), member FINRA/SIPC or TD Ameritrade Institutional a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC/NFA unaffiliated SEC-registered broker-dealers (collectively known as "Third-Party Custodian") as custodians for client accounts. When recommending a Third-Party Custodian GVIC staff will take into account a number of factors, some of which may include custodial fees charged by the broker/dealer for holding securities for the client, commission rates, quality of execution, and record keeping and reporting capabilities.

When recommending a broker/dealer, GVIC will attempt to minimize the total cost for all brokerage services paid by the client. It may be the case that the Third-Party Custodian may charge a higher fee for a particular type of service, or commission on transactions, than can be obtained from another broker/dealer. Thus, clients may not obtain best price or execution when these firms are used. Clients may utilize the broker/dealer of their choice and have no obligation to purchase or sell securities through any broker/dealer GVIC recommends.

Third-Party Custodians provide GVIC with a range of services and other benefits to help it conduct its business. For instance, the firms may pay for or provide GVIC with technology solutions to help facilitate its integration with the firms' brokerage systems and streamline its operations. These may include providing duplicate client statements, research related tools, access to block trading, ability to debit fees from client accounts, discounts on compliance, marketing, technology and practice management products provided by third-party vendors, and proprietary integrated analysis, trading and reporting system that allows GVIC to communicate electronically with these firms. Third-Party Custodians' representatives may be available to provide administrative support to GVIC. These firms may assist GVIC in joining its services platform and in completing documentation to enroll clients to receive its services, and this may include providing or paying for clerical staff to assist and, in some cases, paying account transfer fees or other charges GVIC clients may have to pay when changing custodians or service providers. In limited circumstances, a Third-Party Custodians may make direct or indirect payments to GVIC; for example, they may reimburse GVIC for reasonable travel expenses incurred when reviewing either firm's business and practices.

These and other services that a Third-Party Custodians may furnish will provide benefits to GVIC and may be made available at no fee or at a discounted fee and the terms may vary among advisors depending on the business they and their clients conduct and other factors. A Third-Party Custodian's provision of these services and other benefits to GVIC may be based on clients of GVIC placing a certain amount of assets in accounts with them within a certain period of time. GVIC may be influenced by this in recommending that its clients establish accounts with them. Certain products and services may not necessarily benefit a client's account.

A Third-Party Custodian and GVIC may agree to pricing (including commissions and transaction account and service fees) for GVIC's client accounts based on the nature and scope of business GVIC does with the custodian, including the current and future expected amount of GVIC's client assets in their custody, the types of securities managed by GVIC, and expected frequency of GVIC's trading. A Third-Party Custodian may change this pricing and the services and other benefits it provides if the nature or scope of GVIC's business with the custodian changes or does not reach certain levels, in which case pricing for GVIC's client accounts may increase to an amount the custodian decides but not to exceed the custodian's standard pricing for advisors that custody with Third-Party Custodians.

For these reasons, GVIC may have a conflict of interest when recommending a Third-Party Custodian because GVIC's use of any other firm could result in higher operating costs for GVIC. The same conflict exists if another custodian providing similar services exists.

Clients receive standard account statements monthly or quarterly from the Third-Party Custodian (broker-dealer, bank or other qualified custodian) that holds and maintains client's investment assets. GVIC encourages clients to carefully review such statements and compare such official custodial records to the account statements that GVIC provides.

GVIC's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

GVIC does not take custody of client funds or securities.

## **Item 16. Investment Discretion**

### **Investment Discretion Over Client Accounts**

GVIC and its operating divisions generally receive discretionary authority from the client at the outset of an Advisory Services relationship to select which securities, the amount of securities to be bought and sold, and the timing of each buy and sell of a security. In all cases, however, such discretion is to be exercised in a manner consistent with the client's stated investment objectives for the particular client account.

When selecting securities and determining amounts, MPWM and MIAM observe the investment policies, limitations, and restrictions of the clients for which it advises. For registered investment companies, MIAM's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Client specific investment guidelines and/or restrictions must be provided to MPWM or MIAM in writing. The firm's Investment Management Services Agreement allows the client to specify restrictions before the account is taken under management. MIAM requires its institutional client to share its client restrictions or limitations in advance of MIAM accepting the client account, and ongoing thereafter. This, however, does not preclude the client from making periodic changes to existing restrictions.

## **Item 17. Voting Client Securities**

### **Voting Proxies on Client Securities**

MPWM and MIAM clients have the option of retaining their proxy voting rights or authorizing the firm to exercise proxy voting rights on their behalf. If these rights are retained, MPWM and MIAM will not take independent action to vote proxies. However, when requested, MPWM and MIAM can assist clients with questions regarding proxies and proxy voting procedures. Clients will receive their proxies or other solicitations directly from their account custodian or a transfer agent. All GVP clients are required to authorize GVP to exercise proxy voting rights.

Clients opting to retain MPWM or MIAM to vote proxies and all GVP clients are required to execute a Proxy Voting agreement. Upon execution of a Proxy Voting agreement, MPWM, MIAM, or GVP, as applicable, will assume all proxy voting duties on behalf of a client. Clients can obtain a copy of GVIC's complete proxy voting policies and procedures upon request. Clients can obtain information from GVIC about how GVIC voted any proxies on behalf of their accounts.

## **Item 18. Financial Information**

### **Financial Information**

GVIC does not charge fees of more than \$500, per client, six months or more in advance or maintain custody over client funds or securities. GVIC has neither been the subject of a bankruptcy petition nor does it have a financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.