



## Item 1 – Cover Page

# CV ADVISORS® Part 2A of Form ADV Firm Brochure

19495 Biscayne Boulevard, Suite PH 1  
Aventura, Florida 33180

+1 (305) 358-5990  
[www.cv-advisors.com](http://www.cv-advisors.com)

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This Brochure (the “Brochure”) provides information about the qualifications and business practices of CV Advisors LLC (“CV Advisors” or “the Firm”). If you have any questions about the contents of this Brochure, please contact us at [compliance@cv-advisors.com](mailto:compliance@cv-advisors.com). 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.

Additional information about CV Advisors LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may also request a copy of our Brochure by contacting us at +1 (305) 358-5990 or [compliance@cv-advisors.com](mailto:compliance@cv-advisors.com).

CV Advisors is a registered investment adviser. Registration of an investment adviser does not imply that CV Advisors or any of our principals or employees possesses a particular level of skill or training.

## Item 2 – Material Changes

The following change occurred since the last filing of CV Advisors' Part 2A of Form ADV on March 3, 2020:

**Item 4 – Advisory Business.** Item 4 was updated to reflect a change in the Firm's direct owners. On November 4, 2020, CV Advisors' direct owners changed from being its three principals and founding partners, Elliot Dornbusch, Alexandre Mann, and Matthew J. Storm, to living trusts ultimately owned by the same principals. The change is a result of the principals' estate planning activity and has no impact on CV Advisors' ownership percentages or operations. This section was also updated to reflect CV Advisors' management of affiliated pooled investment vehicles ("Funds") in which Clients and non-Clients may invest.

**Item 5 – Fees and Compensation.** Item 5 has been amended to reflect a change in the Firm's minimum annual Advisory Fee. This section was also updated to include additional fees and expenses that Clients pay in connection with their investments in the Funds.

**Item 7 – Types of Clients.** Item 7 was updated to reflect CV Advisors also manage and provide investment advice to the Funds.

**Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.** Item 8 was amended to include the addition of risks related to pandemics.

**Item 10 – Other Financial Industry Activities and Affiliations.** Item 10 was amended to identify CV Advisors GP LLC as an affiliate of CV Advisors.

**Item 15 – Custody.** Item 15 was updated to indicate that CV Advisor is deemed to have custody of Funds' assets and to provide information concerning audit and delivery of the Funds' financial statements to Clients and non-Clients invested in the Funds.

Additionally, Mary Johnston returned to CV Advisors as Chief Compliance Officer on November 9, 2020, having previously served in this capacity at CV Advisors for three years.

This Brochure also contains certain non-material changes, including routine annual updating changes and enhanced disclosures. We recommend that all recipients read this Brochure carefully and in its entirety.

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## Item 4 – Advisory Business

CV Advisors LLC (“CV Advisors” or the “Firm”) is organized as a Florida limited liability company under the laws of the State of Florida and is a Registered Investment Adviser with the SEC. CV Advisors® has been in business since March 2009 and has been registered with the SEC since August 2012. CV Advisors is wholly-owned by living trusts for which its trustees are the Firm’s three principals and founding partners, Elliot Dornbusch, Alexandre Mann, and Matthew J. Storm. The Firm is located in Aventura, Florida.

CV Advisors is an independent multi-family office. Its overall business model is to provide investment advisory services to high net worth individuals, families, trusts, estates, foundations, endowments, charitable organizations, corporations, or other qualified entities (“Clients”). CV Advisors also sponsors and manages affiliated private pooled investment vehicles (“Funds”) in which Clients and non-Clients may invest. The Firm works with Clients to help them define appropriate investment objectives and to design and implement an investment process that seeks to achieve those objectives. CV Advisors’ primary goal is to provide a transparent process designed to maximize its Clients’ understanding of their portfolio strategy and exposure, as well as control over their assets.

CV Advisors’ investment advisory services include, but are not limited to, asset allocation analysis, instrument and security selection, performance reporting, and portfolio monitoring. CV Advisors provides advisory services to Clients on a non-discretionary or discretionary basis. With respect to non-discretionary Clients, if the Client approves CV Advisors’ trade recommendation, the Firm can arrange or effect the approved transaction at the request and on behalf of the Client. With respect to discretionary Clients, the Firm arranges or effects transactions on behalf of the Client (please refer to the section on *Investment Discretion* for additional information on discretionary Clients).

Clients typically select the financial institutions that custody their assets, except for the Funds in which a CV Advisor’s affiliate controls and manage the entity. CV Advisors can recommend particular custodians to our Clients, at their request, but the Firm does not receive any compensation from the custodians for such recommendations (please refer to the section on *Brokerage Practices* for additional information). CV Advisors assists Clients in establishing investment objectives, return expectations, risk tolerance, measuring time horizons, liquidity needs, and other Client-specific requirements, which are set forth in the Client’s Investment Policy Statement. The Investment Policy Statement also includes specific portfolio management parameters and associated restrictions by instrument type, asset class, sector, and geography, as applicable.

Based on the Investment Policy Statement, CV Advisors offers investment advisory services regarding the following instruments and, on occasion, others not included below:

- Fixed income, including, but not limited to, investment grade and high yield corporate bonds
- Municipal securities
- Exchange traded funds
- Equity securities: exchange listed, over-the-counter, and foreign securities
- Private equity funds and direct private equity
- Hedge funds and other alternative investments

- Certificates of deposit
- Managed accounts
- Mutual funds
- Options and other derivative products

*Fixed Income.* Fixed income represents an important asset class within the majority of CV Advisors' Client portfolios. Within the fixed income asset class, a blend of investment grade and high yield corporate bonds often comprises a core allocation. The Firm has dedicated substantial resources to developing an experienced research team, proprietary analytical tools, and processes to help the Firm perform detailed credit analysis. These resources help CV Advisors to design, implement, and monitor diversified portfolios of fixed income securities appropriate for specific Clients' Investment Policy Statements.

*Exchange traded funds ("ETFs").* CV Advisors employs ETFs in portfolio construction, when appropriate, in an effort to achieve cost efficient and more liquid market exposure with respect to equity markets and, at times, other asset classes. The Firm has observed, through statistical analysis, that very few active asset managers outperform their corresponding benchmarks as represented by ETFs. Moreover, mutual funds often charge substantially higher fees than their corresponding ETFs.

From time to time, CV Advisors offers non-advisory services to its Clients including, but not limited to, reporting services and the coordination of the following: legal and strategic business planning, wealth transfer planning, estate planning, research on trustee placement, and select administrative services. However, CV Advisors does not provide legal or tax advice.

Clients may impose reasonable restrictions on investing in certain securities or types of securities for their account(s) if CV Advisors determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's account management efforts.

As of December 31, 2020, CV Advisors' Regulatory Assets Under Management ("RAUM") totaled \$7,660,773,107.

This total does not include certain assets as to which CV Advisors has Client mandates to provide reporting and family office services, such as family operating interests, real assets or real estate.

Our RAUM consisted of \$642,536,163 of discretionary managed assets and \$7,018,236,944 of non-discretionary managed assets.

In addition to our regulatory assets under management, CV Advisors has Client mandates to provide consolidated reporting on \$2,710,090,981 in assets as of December 31, 2020.

In total, CV Advisors advised to or provided reporting on \$10,370,864,088 in Client assets as of December 31, 2020.

## Item 5 – Fees and Compensation

CV Advisors charges Clients an Advisory Fee for services provided. The Advisory Fee is established and defined in the Investment Advisory Agreement between CV Advisors and the Client (the “Advisory Agreement”). Generally, the Advisory Fee is expressed as a percentage of Assets Under Management (“AUM”), and typically ranges from 0.35% to 0.70% of total AUM, with a minimum annual Advisory Fee.

CV Advisors’ fee schedule is generally as follows:

<u>Annual Fee</u>	<u>Assets Under Management</u>
0.70%:	For AUM from \$25 million up to \$50 million
0.65%:	For AUM from \$50 million up to \$75 million
0.60%:	For AUM from \$75 million up to \$100 million
0.55%:	For AUM from \$100 million up to \$125 million
0.50%:	For AUM from \$125 million up to \$150 million
0.45%:	For AUM from \$150 million up to \$175 million
0.40%:	For AUM from \$175 million up to \$250 million
0.35%:	For AUM above \$250 million

There is typically a minimum annual Advisory Fee of \$175,000.

In some instances, Advisory Fees are negotiable based upon the types of assets included in a Client’s portfolio, the complexity and size of the portfolio, the services to be provided, and other factors including the nature of the Client’s objectives as articulated in the Investment Policy Statement.

The specific manner in which Advisory Fees are charged is established in the Advisory Agreement. Certain Clients request that Advisory Fees be calculated and billed on a quarterly basis, payable in advance or in arrears. Other Clients request that Advisory Fees be calculated on an annual basis, payable in advance or arrears, and billed monthly, quarterly, or as otherwise indicated in their Advisory Agreements. Some Clients’ fee schedules and billing procedures may differ from the general process described herein, as provided in such Clients’ Advisory Agreements.

Advisory Fees are based on the value of the Client’s portfolio as reported in their estimated daily Intramonth Snapshot using pricing data obtained and aggregated from Bloomberg, the Client or the Client’s custodians, third-party fund managers, and other independent pricing services. For Advisory Fees payable in arrears, fees are calculated based on the portfolio value of the estimated daily Intramonth Snapshot on the last day of the Client’s billing period. For Advisory Fees payable in advance, fees are calculated based on the portfolio value of the estimated daily Intramonth Snapshot on the last day of the Client’s billing period (for more information on how CV Advisors reports portfolio values to Clients, please refer to the *Review of Accounts* section).

If an Advisory Agreement is terminated before the end of the billing period, Advisory Fees paid in advance will be refunded pro rata based on the termination date. CV Advisors does not have the ability to deduct fees from Client accounts.

CV Advisors also charges fees according to a fixed-fee arrangement for certain Clients. Fixed fees will be determined on a case-by-case basis, depending on factors including, but not limited to, the nature and complexity of the services and the size of the asset base. Examples of fixed-fee services may include, but are not limited to, bookkeeping services, administrative/assistant services, preparation of expense reports, the reconciliation of certain other accounts, concierge services including making certain personal arrangements, providing specific information to meet the needs of individuals, and personal lifestyle consulting & advisory services.

Separate reporting or concierge service fees may be charged, and such fees are determined on a case-by-case basis and are included in a Client's Advisory Agreement.

Clients invested in the Funds do not pay any separate fees apart from their standard Advisory Fees. However, these Clients are subject to an initial expense contribution of 1% of their committed investment ("Expense Contribution") for organizational and ongoing partnership expenses of the Funds, as well as potential future fund expenses depending upon the duration of the fund. Non-Clients invested in the Funds will typically pay a separate Advisory Fee of 0.25% of their quarterly capital account balance (1% per annum), in addition to the Expense Contribution, as well as potential future fund expenses as referenced above.

Clients, directly or through the Funds, will also incur certain expenses, such as brokerage and other transactions costs, imposed by private banks, investment banks, or broker-dealers ("Brokers"), custodians, third-party investments, and other third-parties. These other expenses are not included in the Advisory Fee and are borne separately by the Client to the extent applicable (please refer to the *Brokerage Practices* section for additional information). CV Advisors may invest a portion of a Client's assets in shares of mutual funds or other investment companies, including exchange traded funds, as well as unaffiliated private funds. Assets invested in these funds bear other additional fees and expenses, which may include but are not limited to, expenses of organizing the funds, administration, accounting and tax, audit, legal, and filings and regulatory compliance. Clients invested in these funds should refer to the applicable fund's offering documents or prospectus for complete information on other fees and expenses.

In addition to fees, Clients may be responsible for certain out-of-pocket expenses for reasonable and direct costs incurred by CV Advisors on the Client's behalf, as directed by the Client. These out-of-pocket expenses include payments made on behalf of a Client for Client expenses such as postage costs, utility bills, or other miscellaneous third-party expenses. All out-of-pocket expenses are pre-approved by the Client, in writing, before CV Advisors pays them. CV Advisors provides an invoice for such services, which is due upon receipt.

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

CV Advisors does not charge performance-based fees to Clients.

## **Item 7 – Types of Clients**

CV Advisors provides investment advisory services to Clients who are high net worth individuals, families, trusts, estates, foundations, endowments, charitable organizations, corporations, or other qualified entities that have a minimum of \$50 million of investable assets. CV Advisors also provides investment advice to the Funds, which serve as investment vehicles for Clients and non-Clients of the Firm.

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

CV Advisors gathers and analyzes Client information, such as investment objectives, investment experience, financial circumstances, and risk tolerances. CV Advisors' investment philosophy is built around the concept of helping Clients achieve their objectives in a manner that emphasizes liquidity, risk measurement and management, and investment cost efficiency. This process begins with the formulation of a broad asset allocation, first determined through a top-down process to establish long-term target allocations by asset class and is followed by a bottoms-up analysis of individual, investable instruments.

### **A. Methods of Analysis**

Based on a Client's risk assessment and preferences, assets are allocated across traditional asset classes, asset types, and individual investments. In selecting individual investments, CV Advisors' methods of analysis include:

Fundamental Analysis. This involves the macro-economic analysis of country balance sheets, trade flows, corporate financial statements, and the general financial health of the economies of companies. For example, fundamental analysis can be performed on a bond's value by looking at economic factors, such as interest rates and the overall state of the economy, as well as information about the bond issuer, such as potential changes in credit ratings, and potential merger/acquisition activity.

Qualitative Analysis. This analysis is of particular relevance when evaluating third-party fund managers and fund management companies, and may include analysis of regulatory records, public records, background research, third-party fund manager team profiles, hiring processes, reference checks, audit results, and other analyses.

Statistical Analysis. This involves the analysis of past market data, primarily price, volume, and volatility data, as well as statistical analysis based on that raw data. This statistical analysis may include, but is not limited to, correlations, beta, alpha, stress testing, peer benchmarking, and other analytical tools.

Cyclical Analysis. This involves the analysis of business cycles to seek favorable conditions for buying and/or selling a security, sector, geography, or asset class.

Investing in securities involves a substantial degree of risk of loss that Clients should be prepared to bear. All investments carry risk of loss and there is no guarantee that any investment strategy will meet its objective.

### **B. Investment Strategies**

CV Advisors emphasizes the need for disciplined, long-term investment strategies (involving securities typically held at least a year) in order to achieve Clients' objectives. Nevertheless, CV Advisors will

selectively use short-term investments (securities held less than a year) and trading (securities held for less than 30 days) for tactical reallocations in an effort to manage or moderate risk or to attempt to capture a specific investment opportunity. CV Advisors can utilize one or more of these investment strategies in an effort to achieve the risk-adjusted returns as articulated in the Client's Investment Policy Statement.

### **C. Risk of Loss**

*Fixed-Income Securities.* CV Advisors recommends investments in bonds or other fixed-income securities to certain Clients, including, without limitation, sovereign debt, investment grade corporate debt securities, and "higher yielding" (and, therefore, higher risk) debt securities. Such securities may be below "investment grade" and may face ongoing uncertainties and exposure to adverse business, financial, or economic conditions that could lead to the issuer's inability to make timely interest and principal payments. The market values of some of these lower rated debt securities tend to reflect individual corporate developments to a greater extent than that of higher rated securities, which react primarily to fluctuations in the general level of interest rates and tend to be more sensitive to economic conditions than higher rated securities. Companies that issue lower rated debt securities are often highly leveraged and may not have access to more traditional methods of financing. Trading in such securities may be limited or disrupted by an economic recession, resulting in 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 corporate debt issuers to repay principal and pay interest thereon and, therefore, increase the incidence of default for such securities. In the event of a default, there is the risk of losing most or all of the assets invested in such defaulted security.

*ETFs.* CV Advisors also recommends investments in ETFs to certain Clients. ETFs are hybrid investment companies that may be registered as open-end investment companies or unit investment trusts, but which possess some of the characteristics of closed-end funds. ETFs often hold a portfolio of common stocks that is intended to track the price and dividend performance of a particular index. Certain ETFs are actively managed and the performance of such entities will be dependent upon third-party managers. The market price for ETF shares may be higher or lower than the ETF's net asset value. With regard to sales not conducted on a market (which typically require the sale of a larger number of shares), the sale and redemption prices of ETF shares purchased from the issuer are based on the issuer's net asset value. The total return on ETF investments will be reduced by the operating expenses and fees of such investment companies, including advisory fees.

*Other Risks.* Additional risks involving CV Advisors' investment strategies include, but are not limited to:

*General Economic and Market Conditions.* General economic or market conditions may adversely affect the investments recommended to Clients. In addition, a downturn or contraction in the economy or in the capital markets, or in certain industries or geographic regions thereof, may restrict the opportunity to liquidate any such investments, each of which could prevent Clients from meeting their investment objectives.

*Illiquid Investments.* Certain investments may be illiquid with no assurance that Clients will be able to realize on any such investment in a timely manner. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on the investment's resale.

*Private Funds.* CV Advisors recommends investments in private funds to certain Clients. Investments in private funds involve risks distinct from those of publicly traded securities. Specific risks are explained in more detail with Clients for whom we recommend investing in private funds. Also, Clients who invest in private funds will receive copies of the private funds' offering documents, which also discuss the risks of such investments.

*Foreign Investments.* CV Advisors may invest in opportunities located in foreign countries. Accordingly, the business and financial results of Clients could be adversely affected due to social or judicial instability, acts or threats of terrorism, changes in governmental policies or policies of central banks, expropriation, nationalization and/or confiscation of assets, price controls, fund transfer restrictions, capital controls, exchange rate controls, taxes, inadequate intellectual property protection, unfavorable political and diplomatic developments, changes in legislation or regulations and other additional international developments or restrictive actions.

*Pandemic Risk.* The impact of epidemics and pandemics could greatly affect the economies of many nations including the United States, individual companies, and the market(s). Pandemics may cause extreme volatility and disruption in both the U.S. and global markets causing uncertainty and risks to economic growth, etc. Health crises caused by the recent coronavirus outbreak may exacerbate other preexisting political, social and economic risks in certain countries and globally. Also, pandemics may result, as this outbreak of coronavirus has resulted, in closing borders, enhanced health screenings, healthcare service preparation and delivery, quarantines, cancellation of travel, disruptions to supply chains and customer activity, as well as general concern and uncertainty. For instance, while the longer-term scope of the potential impact of the novel coronavirus (COVID-19) on global markets, including the availability of treatments and the effective roll outs of vaccines, cannot be known at this time, the coronavirus outbreak and any other outbreak of any infectious disease or any other serious public health concern, together with any resulting restrictions on travel or quarantines imposed have, and are likely to continue to have, a profound negative impact on economic and market conditions and trigger a period of global economic slowdown. Any such economic impact could adversely affect the performance of CV Advisors' recommended investments.

*Cyber Security Breaches and Identity Theft.* Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. The information and technology systems of CV Advisors and their respective investments may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although CV Advisors has implemented disaster recovery and business continuity plans to manage risks relating to these types of events, the failure of these systems and/or of disaster recovery plans for any reason could lead to an interruption in CV Advisors' operations.

## **Item 9 – Disciplinary Information**

CV Advisors® and its employees have not been involved in any legal or disciplinary events that would be material to an evaluation of CV Advisors' advisory business or the integrity of the Firm's management.

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

CV Advisors GP LLC, which is wholly owned by CV Advisors, serves as the General Partner for the Funds but does not conduct any additional financial industry activities. CV Advisors and its employees do not have any relationships or arrangements with any related person that pose a material conflict of interest with our Clients.

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

CV Advisors has adopted a Code of Ethics (the “Code”) that imposes on each employee a duty to place the interests of Clients first. The Code requires officers, owners, and employees to, among other things, report to the Chief Compliance Officer (“CCO”) any actual or potential conflict of interest relating to any Firm Clients. The Code also imposes restrictions and safeguards on the reporting and use of material, non-public information. CV Advisors maintains a Restricted List of securities and the Code also imposes certain blackout periods when the Firm is making a recommendation or considering making a recommendation that Clients buy or sell a particular security.

The Code requires all officers, owners, and employees of the Firm to report monthly and annually their own and immediate family members’ security holdings and transactions to the CCO. In addition, each employee must pre-clear any trades in initial public offerings and private placements, as well as certain securities transactions in accounts that are not managed by CV Advisors.

In determining whether to approve personal securities trading by employees, the CCO will take into consideration whether the security is on the Restricted List and whether the investment opportunity should be offered first to Clients before CV Advisors or its employees act on them. In addition, employees have invested in private placements sponsored by Clients or third-party service providers to the Firm. The CCO carefully reviews private placement pre-clearance requests prior to approval to help ensure conflicts of interest are adequately addressed, reviewing, for instance, that Clients and/or service providers do not receive preferential terms from CV Advisors as a result of employees’ personal investments.

The Code requires the Firm to monitor employees’ outside business activities and governs the giving and/or receipt of gifts and entertainment by the Firm and its employees. Further, the Code requires the reporting of political contributions by certain covered employees and their spouses.

CV Advisors does not buy or sell securities for Client accounts in which CV Advisors or a related person has a material financial interest (e.g., the Firm does not engage in principal transactions). However, employees of the Firm and their family members may have accounts, (collectively, “Employee Accounts”) overseen by CV Advisors and so invest in the same securities that are recommended to Clients. This practice presents inherent conflicts of interest, such as employees and/or certain of their family members: 1) trading before Clients (i.e., front-running), and/or 2) receiving a better price than Clients. To address and mitigate (potential) conflicts of interest associated with personal trading, it is the practice of the Firm’s portfolio managers to trade their Employee Accounts after Clients’ accounts have traded. The CCO

monitors employee trading, relative to Client trading, to ensure that employees do not engage in improper transactions.

On occasion, the situation arises whereby one Client is selling the same security as is recommended for another Client to buy. Such scenario may be the result of liquidation for diversification purposes, redemption, or for any other reason. Cross trades would generally occur when the Clients' accounts are with the same Broker, though this is not necessarily a requirement.

*Clients or prospective Clients may request a copy of CV Advisors' Code of Ethics by contacting the Firm at +1 (305) 358-5990 or at [compliance@cv-advisors.com](mailto:compliance@cv-advisors.com).*

## **Item 12 – Brokerage Practices**

In cases where CV Advisors is authorized to effect transactions on behalf of Clients, the Firm seeks to obtain "best execution," the best available combination of execution, price (which includes the cost of the transaction), and other factors, among each Client's list of approved Brokers. In seeking best execution, the Firm takes into account all factors it deems relevant including, but not limited to, the financial stability and reputation of the particular Broker, the ability to achieve prompt and reliable executions at favorable prices, and the operational efficiency with which transactions are effected.

On occasion, Clients require that their financial assets remain in the custody of various financial institutions that are not able to implement CV Advisors' recommendations. In such instances, CV Advisors will select from the investment options available at such institutions in order to implement the Client's investment strategy. In these circumstances, direction by a Client to use a particular financial institution may result in higher costs, less favorable investments, and (materially) different performance than if CV Advisors could freely recommend investments not limited to a particular financial institution or platform.

For non-discretionary investment advice, the Client generally selects its own Broker for the implementation of the Firm's recommendations. However, the Client may ask the Firm to evaluate the quality of the Client's relationship with its current Broker(s) and/or recommend a different Broker. In making such a recommendation, the Firm will evaluate the Client's needs, as disclosed to the Firm, and will focus primarily on the financial strength, execution costs, and responsiveness of the Broker. However, such Clients are advised that they must independently evaluate these Brokers before opening an account or transacting business, and that they are not under any obligation to effect business through any recommended firm.

When CV Advisors provides non-discretionary advisory services to certain Clients pursuant to which CV Advisors makes recommendations on purchasing, selling, holding, valuing, or exercising rights with respect to particular investments, it does not have discretion to effect purchases or sales on behalf of such Clients without their prior approval. It is highly likely that discretionary and non-discretionary Clients hold the same or similar securities. There may be timing differences related to the transmission of advice to a non-discretionary Client for consideration and the Client's decision of whether or not to act on the advice. As a result, it is possible that trades or recommendations will be effected on behalf of discretionary Clients in advance of accounts for non-discretionary Clients. This could result in discretionary and non-discretionary

Clients receiving more or less favorable execution prices on the same security and may result in potential differences in performance for the same security.

With respect to discretionary Clients (and certain non-discretionary Clients), the Firm is responsible for selecting the Brokers used for a securities transaction from a Client's approved Brokers list. In negotiating commission rates and selecting Brokers, the Firm seeks to obtain best execution, as described above. It is noted that since commission rates are generally negotiable, selecting Brokers on the basis of considerations which are not limited to applicable commission rates may, at times, result in higher transaction costs than would otherwise be obtainable.

CV Advisors executes all Client trades through each Client's custodial Broker(s) or other Brokers approved by Clients. CV Advisors does not effect transactions with Brokers that have not been approved in advance by the Client. The Firm will attempt to negotiate lower commission schedules for Clients where possible. However, the most favorable execution may not be obtainable at all custodial Brokers, which may cost Clients more money.

The Firm's business model, which includes non-discretionary and directed brokerage accounts, does not support aggregating orders among Client accounts. This may or may not result in some Clients paying higher brokerage commissions because of the Firm's inability to reduce transaction costs through order aggregation. In addition, directed brokerage may result in Clients receiving less favorable prices. However, in the event of the purchase of a new issue, the sale of a particular security, or other investment related reasons, CV Advisors may aggregate orders in an attempt to receive a better execution price for its Clients.

Notwithstanding, CV Advisors seeks to allocate orders fairly between Clients and has established trade order procedures for both discretionary and non-discretionary accounts. For discretionary accounts, CV Advisors typically executes its recommendations in a random order immediately and normally within the same day, after the same trade has been submitted for pre-approval to all non-discretionary Clients the Firm has deemed to be suitable. Trade approvals from non-discretionary Clients are typically queued and executed in the order in which they are received. The use of different executing Brokers will likely result in some Clients paying different Broker-imposed trade fees compared to other Clients. In addition, the timing in which transactions are effected by various Brokers may result in different execution prices on transactions.

The Firm does not have any soft dollar relationships.

## **Item 13 – Review of Accounts**

CV Advisors' portfolio managers monitor Clients' portfolios on an ongoing basis. At least one primary portfolio manager and one secondary portfolio manager are assigned to each Client.

CV Advisors® uses proprietary analytical tools to monitor, record, analyze, and report estimated and unaudited Client account performance on a daily basis. The Firm makes these estimated performance reports electronically available to Clients through a secure website operated by a third-party. The Firm provides Clients with a written or electronic monthly report (the "Monthly Report") in conjunction with the

opportunity of a monthly meeting (in person or by phone). The Monthly Report includes asset performance, comparisons to established benchmarks, holdings, and transactions. A third-party administrator also provides quarterly capital statements and unaudited quarterly fund financial statements to Clients and non-Clients invested in the Funds. The Funds will also provide audited financial statements annually to Clients and non-Clients invested in the Funds.

Pricing data used for calculating performance, is provided primarily by Bloomberg, in addition to the Client or the Client's custodians, third-party fund managers, and other independent pricing services. CV Advisors' values reported to Clients can vary from custodial statements and third-party values because of the timing in which CV Advisors compiles pricing information and generates its reports. Report values can also differ because of different accounting procedures or valuation methodologies of certain securities.

At least quarterly, portfolio managers evaluate the performance of Client portfolios on an absolute, relative, and risk-adjusted basis and for compliance with the Client's Investment Policy Statement. At least annually, the portfolio managers will review each Client's Investment Policy Statement to confirm that it remains consistent with the Client's stated goals and objectives.

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

CV Advisors does not receive any economic benefit from someone who is not a Client for providing investment advice or other advisory services to its Clients and CV Advisors does not directly or indirectly compensate any person for Client referrals.

## **Item 15 – Custody**

CV Advisors is deemed to have custody with respect to the assets of the Funds, which will be subject to an annual audit and the audited financial statements will be distributed to each Client and Non-Client invested in the Funds. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of the Fund's fiscal year end.

Otherwise, CV Advisors does not have custody of any Client funds or securities, is not a qualified custodian, and does not provide custodial services to its Clients. Clients select the Broker(s) or other qualified custodian to provide such services. In some instances, CV Advisors may recommend a particular custodian to its Clients, but the Firm does not receive any compensation, other services, or benefits from the custodians or their affiliates for doing so.

Clients receive statements directly from the Broker(s) or other qualified custodian that holds and maintains the Clients' funds and securities. CV Advisors urges Clients to carefully review such statements and compare such official custodial records to the reports provided by the Firm.

## **Item 16 – Investment Discretion**

CV Advisors generally receives discretionary (or non-discretionary) investment authority from its Clients at the outset of the advisory relationship. Depending on the terms of the applicable Advisory Agreement, CV Advisors' authority may include the ability to execute trades or recommendations and select Brokers from a Client's approved Broker list through which to execute transactions, on behalf of Clients. In making decisions as to which securities are to be bought or sold and the amounts thereof, the Firm will be guided by any reasonable Client-imposed guidelines or restrictions set forth in the Client's Investment Policy Statement. Unless CV Advisors and the Client have entered into a non-discretionary arrangement, the Firm is generally not required to provide notice to, consult with, or seek the consent of its Clients prior to engaging in transactions. CV Advisors' discretion is limited to purchasing and selling securities and CV Advisors is not authorized to transfer any funds or securities out of any Client account.

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

Generally, CV Advisors does not have voting authority with respect to Client securities. Clients should receive all proxy materials from their account Broker or other qualified custodian. Clients are responsible for receipt and voting of proxies for all securities maintained in their portfolios. Upon a Client's request, the Firm may provide information and advice to such Client regarding a particular vote by proxy, but Clients retain the responsibility for the determination and the actual act of voting.

In very limited circumstances, CV Advisors has accepted the authority, through the Client's Investment Advisory Agreement, to vote Client securities. In these rare instances, the Firm votes securities in the best interest of its Clients based upon the guiding principle of seeking maximization of the economic value of the Client's holdings. Ultimately, all such votes are cast on a case-by-case basis, taking into account the Client's investment horizon, the contractual obligations under the Advisory Agreement or comparable document, and all other facts and circumstances at the time of the vote. Clients may not direct proxy voting for particular solicitations where CV Advisors has discretionary authority to decide how to vote.

Although not anticipated, if a material conflict of interest exists, the Firm will determine whether voting in accordance with the guidelines set forth in written policies and procedures is in the best interest of the Client, or take some other appropriate action (e.g., retain an independent third-party to vote).

The Firm reserves the right to abstain on any particular vote or otherwise withhold its vote or consent on any matter if, in the opinion of the Firm, the costs associated with voting such vote outweigh the benefits to the Client or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the Client.

Clients may request and obtain a copy of CV Advisors' proxy voting policies and procedures, and (if applicable) any information regarding how their securities have been voted, by contacting the Firm at +1 (305) 358-5990 or at [compliance@cv-advisors.com](mailto:compliance@cv-advisors.com).

From time to time, CV Advisors may receive notices regarding class action lawsuits involving securities that are or were held by Clients. As a matter of policy, CV Advisors can assist Clients in gathering

documentation, but refrains from serving as the lead plaintiff in class action matters and from submitting proofs of claim unless CV Advisors has accepted the authority to do so through the Client's Investment Advisory Agreement.

## **Item 18 – Financial Information**

CV Advisors® is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to Clients and has never been subject to a bankruptcy petition.

## **Item 19 – Requirements for State-Registered Advisors**

This section does not apply to CV Advisors.