

RVK, Inc.

# Form ADV Part 2A

## Disclosure Brochure

March 28, 2023

This firm brochure provides information about the qualifications and business practices of RVK, Inc. ("RVK"). If you have any questions about the contents of this brochure, please contact us at 503-221-4200. 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.

You can find more information about us at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

RVK, Inc.  
1211 SW 5<sup>th</sup> Avenue  
Suite 900  
Portland, Oregon 97204  
503.221.4200  
[www.RVKInc.com](http://www.RVKInc.com)



## Item 2 – Material Changes

In accordance with the SEC’s Form ADV requirements, this brochure is reviewed on an ongoing basis for necessary revisions. We have no material changes to report since our last update.

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## Item 4 – Advisory Business

### The Company

R.V. Kuhns & Associates, Inc. (operating under the assumed business name RVK, Inc., "we," "us," or "RVK") is an SEC-registered investment adviser.<sup>1</sup> Since we were founded in 1985, we have focused solely on providing investment consulting to institutions, including public and corporate pension plans, defined benefit and defined contribution plans, Taft-Hartley funds, endowments and foundations, insurance companies and other business entities, as well as select high-net-worth individuals and families.

We are owned entirely by our employees. Our principal owners are Rebecca A. Gratsinger, our Chief Executive Officer, and Scott P. Gratsinger, our Chief Information Officer.<sup>2</sup>

### Consulting Services

#### Core Values of RVK

Trust – We pride ourselves on being a business partner our clients can trust. RVK delivers objective, informed, and unbiased advice. We aim to provide advice that is free of conflicts of interest. We believe that the only way to deliver unbiased advice is to eliminate potential conflicts of interest in our business model:

- 100% of our revenues are from consulting fees paid by our clients in return for services rendered. We accept no payments from investment management firms or any service providers that would create a conflict of interest.
- Our policy is that employees will not accept business gifts from service providers in the investment industry including, but not limited to, host/thank-you gifts, holiday gifts, or travel expenses.
- We recommend investment managers on the merits of their investment products.
- Our firm maintains a comprehensive Code of Conduct and Ethics and a Compliance Manual to which all employees receive mandatory training, agree to in writing, and provide regular reporting to monitor compliance.
- We will not engage in business activities that compromise the firm's commitment to conflict-free investment consulting.
- We are 100% independently owned and managed by our employees, and we have no outside investors or a parent company that can influence our business practices.
- Our primary purpose is to exceed the expectations of our clients.

Credibility is fundamental to our continued success. Accountability is a core value at RVK, and our 34 principals each have an owner's point of view on client satisfaction. Copies of RVK's Code of Conduct and Ethics, as well as our Compliance Manual and related documents are available upon request.

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<sup>1</sup> Registration as an investment adviser does not imply a certain level of skill or training.

<sup>2</sup> The shares owned by Mr. and Mrs. Gratsinger are combined for this determination. SEC rules state that shares owned by one spouse are also beneficially owned by the other spouse.



Client Service – RVK's client service philosophy has four main tenets:

- We believe that our core value to clients lies in our analysis and interpretation of data leading to tailored recommendations to our clients. We provide guidance, not reports.
- We believe that our team approach to clients is the best way of ensuring that the right expertise is available when needed, especially given the complexity and volatility of current financial markets.
- We believe in continually renovating a portfolio rather than tearing it down. Manager and security transitions can be expensive, so we spend time evaluating what is working well in a portfolio and what needs improvement, and renovate where necessary.
- We believe in a client-specific work product that is individually tailored, comprehensive, and understandable.

Professional Expertise – The RVK team has a deep well of experience and expertise to draw on. We have 20 CFA Charterholders, 11 MBAs, 1 CFA candidate, 7 CAIA Charterholders, 1 CAIA candidate, 15 other Master's degrees, as well as numerous other designations including: FRM, EA, CPA, JD, MAAA, and ASA. Our consulting professionals average nearly 17 years of investment *industry* experience, including investment and financial management, actuarial advisory services, and consulting to plan sponsors, as well as an average of 15 years of investment *consulting* experience. In a complex and volatile environment, success comes from having a solid understanding of market dynamics and the ability to anticipate and adapt. RVK prides itself in delivering our work product to clients in the most professional manner possible, and we invest heavily in developing internal tools, policies, and training for our team members so that we can deliver the very best to our clients.

## Description of Services

Strategic investment consulting on a non-discretionary basis is our only business. We provide a wide range of general consulting services and products, including:

- investment policy development and monitoring
- asset allocation studies
- asset/liability studies
- investment manager search and recommendations, including traditional, alternative and real estate investment evaluation and consulting
- manager structure analysis
- trust/custody and third-party administrator evaluation and search
- defined contribution plan evaluation
- performance analysis and monitoring
- alternative assets reporting
- public pension fund universe analysis
- client education
- client-directed consulting support services
- investment program review
- special projects and enhanced reporting
- ESG consultative services
- OCIO search, evaluation and monitoring services



Investment Policy Development and Monitoring – The development of client-specific investment policies is a critical step in tailoring our services to meet specific client needs. See the discussion in this Item 4 under "Tailored Advisory Services" for further information on this service.

Asset Allocation Studies – An asset allocation study is a strategic planning tool used to assist clients in optimizing the balance between portfolio risk and return. Through these studies, we provide our clients with portfolio configurations that help them balance their primary objectives of maximized return and low volatility.

Asset/Liability Studies – By modeling a pension, endowment, or insurance portfolio in actuarial or mean variance optimization, Monte Carlo and other software and tools, we are able to test asset mixes for their ability to satisfy the client's liabilities. The product of an asset/liability study is the identification of investment risk levels and broad investment portfolios that are most likely to meet an institution's unique expected future liability cash outflows or spending needs while minimizing the risk that those needs will not be met.

Investment Manager Search and Recommendations – We seek to match client objectives with appropriate investment managers. We have extensive experience in evaluating the vast universe of traditional and alternative asset investment managers. Our process combines rigorous quantitative evaluations, which are complemented by an experienced perspective of qualitative factors and includes specialized consulting services specifically focused on direct investments in hedge funds and primary real estate investments across all investment instruments and property types. In addition, our real estate team offers real estate portfolio assessments on a project basis, advisory assistance in secondary real estate sales, and project-based due diligence on real estate and related real asset investments.

Manager Structure Analysis – We provide clients with analysis explaining how selections and weightings of different types of investment strategies collectively tilt a portfolio toward particular investment styles, sectors or capitalization biases.

Trust/Custody and Third-Party Administrator Evaluation and Search – We evaluate custodians and third-party administrators based on the services required by a client and effective costs available for providing those services. We work with clients to develop monitoring criteria and have created a service-delivery tracking tool to objectively assess custodian performance.

Defined Contribution Plan Evaluation and Fee Reviews – We evaluate participant-directed defined contribution plans to determine whether the plan utilizes an array of return/risk differentiated and appropriate investment fund (asset class) choices and has adequate record-keeping services and communication plans.

Portfolio Performance Analysis and Monitoring – Our clients receive Investment Performance Analysis reports that describe and analyze the performance of the client's total assets, asset class exposures, and investment managers. These reports aggregate data from multiple managers into a single report, supply analytical depth not found in quarterly reports provided by managers or custodians, place manager and total-portfolio returns in the context of peer universes and broad-market benchmarks, and provide an independent evaluation of manager performance. Further information on these reports can be found in Item 13 below.



Alternative Assets Reporting – We developed a proprietary performance monitoring and reporting tool that provides our clients with customizable analyses of their exposure to alternative investments such as private equity and real estate.

Public Pension Fund Universe Analysis – We produce a comprehensive analysis of public funds pension semiannually. The analysis compares asset allocation, performance, fees and actuarial comparative data from a broad universe of public pension plans and other sovereign funds in the U.S. We have the ability to customize this report to include any subset of the universe in order to provide the most appropriate peer comparison available.

We also produce a survey of investment professionals' compensation at large public funds. This analysis compares average base salary and ranges, total potential compensation, years at fund/experience required as well as fund assets under management, internal vs. external management for each asset class, allocation of staff by asset class and title, professional certifications and turnover rate, and cost of living by geographic area.

Client Education – Our consultants have experience developing and conducting educational sessions/seminars for clients with varying levels of investment knowledge. Sessions range in length from half an hour to two days and have been presented to investment staff, retirement-plan participants, and the boards overseeing investment pools. These seminars have covered topics such as fiduciary responsibility, asset allocation concepts, appropriate manager structure, the benefits of active vs. passive management, the benefits and risks of financial investing, investments in alternative asset classes, and other topics.

Client-Directed Consulting Services – Additional support for clients in their management of the nuts and bolts of fund administration includes the drafting, transmitting, and confirming activities relating to client-directed cash movement, whether due to the termination or funding of new managers, meeting capital calls for alternative investments, investing incoming cash flows, portfolio rebalancing or raising and transferring cash for spending/benefit requirements. Our clients maintain full discretion over all investment decisions while RVK's consulting team provides timely execution, planning, and support.

Investment Program Review – Our firm conducts full or targeted reviews of the investment programs of institutional investors on behalf of fiduciaries and oversight bodies. These reviews may cover any or all facets of the investment program including, but not limited to, board and investment staff organization, governance, operations and resources, investment policy and overall governance, asset allocation and risk management, mandate creation, manager selection and monitoring, and internal investment staffing, job functions, performance reviews, and compensation policies.

Special Projects and Enhanced Reporting – Our special projects team actively focuses on the next generation of client reporting and on investment operations efficiencies. Our customized reports allow clients to access and more fully understand the information central to their decisions and operations, even in situations with unique characteristics. Within this activity is our customized risk reporting conducted for clients with varying frequency depending on their needs. We welcome specialized and challenging projects that help our clients better understand their portfolios and the general investment climate.



ESG Consultative Services – RVK, as part of our Investment Manager Research services, also offers clients comprehensive information, industry knowledge and general education related to the utilization of environmental, social and governance factors (ESG) into investment decisions by money managers and other entities.

OCIO Search, Evaluation and Monitoring Services – RVK offers a suite of services to clients seeking assistance in searching for, evaluating and monitoring a category of discretionary asset managers normally referred to as outsourced chief investment officer (OCIO) providers.

Item 8 below includes further information on the methods of analysis and strategies we use in providing the following services:

- asset allocation studies
- asset/liability studies
- investment manager search and recommendations
- trust/custody evaluation and search
- defined contribution plan evaluation
- alternative assets reporting

## **Tailored Advisory Services**

### **General**

Our recommendations and reports are client-specific, individually tailored, comprehensive and understandable. We believe that usefulness is a critical dimension of service quality, and that technological resources and industry knowledge have limited value until they are translated into information in a form that the client finds helpful. Our goal is to take our clients through a systematic process of clarification of objectives, analysis of the total risk/return consequences of current and alternative strategies, and coordination of any indicated changes.

### **Investment Policy Statement**

We believe that the development of an investment policy statement (the "Policy") is one of the most important aspects of our client services. The Policy describes the procedures that will be followed to manage the clients' investment funds. It is a process-driven document that aims to protect the interests of the beneficiaries of the investment funds. The Policy not only documents a client's investment goals, but also sets a process for implementing these goals. Accordingly, we spend considerable time with our clients working to keep Policies up-to-date and being followed.

The Policy typically:

- identifies the responsible fiduciaries and articulates the clients' role
- documents the history, structure and mission of the assets
- establishes criteria for selecting investment managers
- sets investment performance objectives and risk parameters
- details risk tolerance and posture
- determines performance measurement standards (such as benchmarks) and establishes an effective review procedure
- describes the review process





In developing the Policies, we keep our clients abreast of industry practices, reasonable guidelines, and completeness of the Policy. We strive to have the Policy reflect the culture and objectives of the client, not solely the philosophy of the consultant.

We may also conduct reviews with respect to ongoing compliance with the Policy. We can produce these reviews quarterly as part of a client's portfolio performance evaluations, as discussed in Item 13 below.

### **Suitability**

In recommending managers or investments, we provide each client investment advice that we believe suits their financial situation, investment experience, investment objectives, risk tolerance and other circumstances that we consider relevant. In determining suitability, we will:

- obtain sufficient information regarding a client's financial situation, investment experience, investment objectives and other information necessary to provide suitable advice regarding their assets
- share with clients reasonable expectations about the probabilities of investment returns over longer, full-market cycles
- give appropriate consideration to a client's particular facts and circumstances

In addition, because a client may impose reasonable restrictions on the investment of their assets, we determine whether our recommendations are consistent with any such restrictions. Before agreeing to any investment restrictions, we determine whether the proposed restriction would impede our ability to serve the client.

### **Recommendation of Specific Investments**

Each client's investment managers and the managers of investment funds in which the client is invested recommend and/or effect investment decisions for the client with respect to individual equity and fixed-income securities. We do not make recommendations with respect to individual equity or fixed-income securities.

In making manager recommendations, we sometimes recommend specific limited partnership and limited liability company investment funds (e.g., real estate, commodities, private equity and hedge funds of funds) and other investment vehicles. Such investment vehicles invest in a wide range of securities. We also may recommend that clients invest assets in specific exchange-traded funds ("ETFs").

### **Assets We Consult To**

As a consulting business, we only consult to clients on a non-discretionary basis. As of December 31, 2022, we consult to over \$3,013,452,100,000 in client Assets Under Advisement ("AUA"), comprised of nearly \$1,236,315,900,000 in AUA for full-retainer clients and over \$1,777,136,200,000 in AUA for project clients. For a small subset of these clients, as of December 31, 2022, we consult to over \$956,800,000 in client Regulatory Assets Under Management (RAUM) on a full-retainer basis. In all instances, clients maintain full discretion over all investment decisions.



## **Business Continuity Plan Disclosure Statement**

RVK has adopted a Business Continuity Plan, approved by the CEO and reviewed by the CCO. All RVK Emergency Contact Persons are provided an up-to-date copy of the Business Continuity Plan, which contains an assessment of possible internal and external Significant Business Disruptions (SBD's) currently conceivable, implementation steps in case of an SBD, and detailed contact information and account numbers for key vendors and RVK emergency contact persons. The Business Continuity Plan is reviewed whenever we have a material change to our operations, structure, business or locations. In addition, RVK will review the Business Continuity Plan annually, in the first calendar quarter, to modify it for any changes in our operations, structure, business, or locations.

## **Item 5 – Fees and Compensation**

### **Amount of Our Fees- General Consulting Services**

All of our revenue comes from investment consulting. We normally charge an annual flat retainer fee covering all proposed consulting services for a client, including our travel expenses. However, there are exceptions to our all-inclusive fee. For example, we typically charge separate fixed fees to conduct full system asset/liability studies and custodian searches.

To account for inflation, we may adjust our retainer fees after a number of years, as specified in our agreement with each client. Fees are adjusted typically by the greater of 3% or the inflation rate as measured by the Consumer Price Index.

Charges for services depend on several factors, including the:

- total investment assets of the client
- number of investment managers engaged
- complexity of the client relationship
- number, nature and size of accounts
- frequency of meetings we are expected to attend each year
- range of services required
- location of the client

We do not have a standard fee schedule. Instead, fees are negotiable based upon the above factors and the needs of each client. Occasionally, a client may choose to pay an asset-based percentage fee for our consulting services.

### **Amount of Our Fees – Special Projects**

As discussed in Item 4 above, we are available for special projects if full-service consulting is not desired or required. Our total fees for a project would be negotiated, based on factors such as the scope of the project, the degree to which the client wants the services customized, the client's relationship with our other clients, and the nature and size of the account. We may charge a fixed fee or hourly rate for a specific consulting project. Travel and other out-of-pocket



expenses related to the project may be billed to the client separately, as specified in the client agreement.

### **Payment of Our Fees**

We invoice retainer clients for services per the terms of their individual contracts, usually either quarterly or monthly. Retainer clients generally pay our fees quarterly or monthly in arrears. However, we have one retainer client who pays annually in advance. We invoice project clients based on the terms of their individual contracts as well, with some paying project fees up front, some at particular milestones, and some at project completion. If clients pay for our services in advance, any unearned fees will be refunded on termination of the client agreement, based on the portion of the quarter during which we provided services. Generally, we do not deduct fees from our clients' accounts. However, at one client's request and with documented authorization, we do deduct our invoiced quarterly fees directly from that particular client's investment account.

### **Other Fees**

If a client retains an investment manager we recommend, they will pay fees directly to that manager. Those fees are described in the applicable investment management agreement, and they are not shared with us. In the course of investing through other managers, clients also incur brokerage and other transaction costs for the purchase and sale of securities. Those fees depend on the brokerage practices of the particular manager. As described in Item 12 below, we do not recommend or select brokers to execute client securities transactions, but we may recommend that clients use the custodial or transition management services of certain brokers.

In making manager recommendations, we sometimes recommend specific limited partnership and limited liability company investment funds (such as real estate, commodities, private equity and hedge funds of funds) and other investment vehicles (such as ETFs). If clients have assets invested in such funds, they will incur fees in addition to our fees. For example, clients may incur a commission or transaction fee when the investment is purchased and an annual management fee payable to the manager of the fund. Fees for investment in such funds are described in the applicable fund's disclosure documents. Such fees are not shared with us. We evaluate the relative annual costs of such investments as a part of our recommendation process.

Clients could invest directly in any of the investment vehicles we recommend, without our services. In that case, clients would not receive the services we provide, which are designed in part to help determine which, if any, funds are best suited to a client's financial condition and objectives. Clients should review the fees charged by the funds and our fees to fully understand the total amount of fees they will pay and to evaluate the consulting services we provide.

### **No Compensation from Sales of Securities**

Neither RVK nor its employees receives any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds or other investment vehicles.



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

RVK and its employees do not receive "performance-based fees" (fees based on a share of capital gains on, or capital appreciation of, a client's assets).

## **Item 7 – Types of Clients**

We generally provide consulting services to the following types of clients:

- defined benefit plans and defined contribution plans as well as cash balance plans
- health and welfare plans
- foundations, endowments and other charitable organizations
- corporations and other businesses
- state and municipal governmental entities
- insurance companies
- individuals, including family trusts, foundations and estates

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

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

As indicated in Item 4 above, this Item 8 describes the methods of analysis and strategies we use in providing the following services:

- asset allocation studies
- asset/liability studies
- investment manager search and recommendations
- trust/custody evaluation and search
- defined contribution plan evaluation
- alternative assets reporting

### **Asset Allocation Studies**

Asset class assumptions regarding the future levels of risk, return and correlation among asset classes are derived through a comprehensive review of historical data, combined with a quantitative and qualitative examination of current market conditions. This review process leads us to what we believe are reasonable long-term, forward-looking assumptions.

We analyze historical relationships, such as return and risk premiums and also examine current factors, such as valuations, interest rates, default rates and credit spreads in the assumptions-setting process. We prefer to use conservative assumptions that portfolios are more likely to meet or exceed rather than overly optimistic expectations.



Based on the expected return, risk, and correlations for each asset class along with constraints, our asset allocation studies allow for the construction of an “efficient,” or return-maximizing, portfolio of asset class investments at each given level of portfolio volatility, using mean/variance optimization techniques.

To stress-test the expected performance of a portfolio, we also employ a Monte Carlo simulation model. Our Monte Carlo simulation uses a random sampling of asset class returns, based on a non-normal (downside log-stable, or “left fat-tailed”) distribution of returns, to create several thousand estimates of portfolio performance. Through the process of Monte Carlo simulation, we are better able to ascertain the real-world probability of achieving various return targets over time.

## **Asset/ Liability Studies**

The relevant characteristics of plan liabilities are factored in through the use of specialized software. The data from an actuarial valuation report is modeled including the following information: benefit formulas, interest rates, inflation rates, demographics and actuarial assumptions on mortality rates, withdrawal rates, disability rates and retirement rates. The relevant asset classes are entered into the model with their capital market assumptions (that is, expected return, standard deviation and correlations). We test several efficient asset mixes, as well as the current asset mix. We also consider the correlation of these assets with the factors that affect liability growth. Primarily, this includes the correlation of the asset classes with interest rates and inflation rates.

We then model each asset mix alternative using a Monte Carlo simulation methodology in the context of the liabilities. The result displays the performance of the plan under a wide range of market conditions. We are then able to analyze the results of the projections, such as the probability of remaining funded and the potential range of future contributions. We use these results to analyze each portfolio for its ability to satisfy the goals and constraints of the client, such as a desired growth in funded ratio while minimizing the probability of required contributions.

## **Investment Manager Search and Recommendations**

As described in Item 4 above, we do not make recommendations with respect to individual equity or fixed-income securities. Those decisions are made by each client's investment managers and/or the managers of investment funds in which the client is invested.

In making recommendations as to which investment managers and in which investment funds and/or assets our clients should invest, we perform extensive research and evaluation on traditional, alternative and real estate investment managers. Our dedicated Investment Manager Research Department leads this process, gathering and analyzing information obtained from:

- personal and/or telephone interviews with managers
- manager databases
- industry publications
- other resources



We then consider rigorous quantitative factors, which are complemented by our experienced perspective on qualitative factors. Our research team ranks all managers we are evaluating based on the quality of the firm, product, process, investment professionals, historical performance and other criteria. Once managers, funds, and/or assets meet our initial requirements, further analysis is performed through additional due diligence, including a formal interview and evaluation of key investment professionals and virtual or onsite visits with managers.

## **Trust/Custody Evaluation and Search**

We evaluate custodians through an in-depth questionnaire and a request for fee proposal, which we provide to various custodians. We then summarize our results into a search report for the client. We review contractual obligations and work with both the client and custodian to develop a meaningful and objective set of service standards for periodic evaluation. Once the key elements of service delivery are identified, they can be readily tracked on a custom application we have developed to deliver ready access to service delivery information. This information is used to provide objective figures for custodian reviews.

## **Defined Contribution Plan Evaluation**

Our evaluation of defined contribution plans centers first on the level of investment and fee flexibility present within the plan administration and recordkeeping agreements utilized by the plan. We follow this approach because defined contribution plan investments are frequently constrained by the administrative structure employed by the plan. In addition to evaluating the quality of the administrative structure, services, and fees, we conduct a comprehensive evaluation of the quality of the investment choices provided by the plan. This includes evaluation of each option on its own merits, in addition to how each option acts in a complementary structure.

Upon completion of this sequential analysis, we can provide recommendations regarding potential options for improving the plan, including any changes related to bundling of investment and administrative functions.

## **Alternative Assets Reporting**

As discussed in Item 4 above, we have developed a performance monitoring tool that analyzes clients' exposure to alternative investments such as private investment funds. We supplement traditional performance measurement methodologies with a multi-faceted review of performance metrics to make a relevant performance assessment. The highlight of this analysis is our custom benchmark return, which replaces the potentially inappropriate iterative discount rate assumed by the internal rate of return calculation with a custom benchmark hurdle rate. This allows a relevant comparison to be made between the investment and its benchmark index.



## **Risks Associated with Our Methods of Analysis and Investment Strategies**

### **General Risks**

All investments in securities include a risk of losing principal (invested amount) and any profits not yet realized. Clients should be prepared to bear that risk. Stock markets and fixed-income markets and other asset classes fluctuate substantially over time. In addition, as recent global and domestic economic events have shown, the performance of any investment is not guaranteed.

Our agreement with our clients states that we are not liable for any loss suffered because of the performance, either historical or prospective, of any investment manager or investment we recommend. Nevertheless, nothing in our client agreement constitutes a waiver of a client's legal rights under applicable federal or state securities laws or any other law whose applicability may not be waived through contract. If there is a discrepancy between the information in this brochure and our client agreement, the agreement will supersede.

### **Risks Associated with Asset Allocation Recommendations**

The primary risk of our asset allocation recommendations is that a specific asset class (such as equity, fixed-income, alternative investments, and cash) or multiple asset classes, and correspondingly a client's portfolio, do not perform as expected in our capital market assumptions. Another risk of our asset allocation recommendations is that a client may not participate in sharp return increases in a particular asset class, industry, or market sector. There is also risk that the ratio of a client's investments will change over time due to securities and market movements and, if not rebalanced, will no longer be consistent with the investment policy statement.

### **Risks Associated with Our Manager and Fund Recommendations**

We generally recommend that clients invest their assets with multiple investment managers, ETFs or other funds. Our manager and fund recommendations include the following risks:

- A Manager or Fund May Underperform and Clients May Experience a Loss – An investment manager's or fund manager's judgment about the attractiveness, value and potential appreciation of a particular security may be incorrect, and there is no guarantee that the securities selected by the manager will perform as anticipated. For these and other reasons, the manager may not be able to replicate their previous success in future periods. Past performance is no guarantee of future results. As a result, there is a risk of loss of the assets managed by any given manager that is out of our control. We cannot guarantee any level of performance or that clients will not experience a loss of assets.
- A Manager May Deviate from their Stated Investment Strategy – Because we do not control the underlying investments in a manager's portfolio or fund, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio or fund, making it a less suitable investment for a particular client.





- **A Manager May Not Have Adequate Internal Controls** – Because we do not control a manager's daily business or compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.
- **A Manager's Strategy May Involve Additional Risks** – Managers and funds face risks based on the strategy they implement or the investments they select. For example, foreign securities face additional risks due to political and socioeconomic developments abroad, as well as due to differences between U.S. and foreign currency and regulatory practices. Another example would be a sector stock fund that invests in a single industry, such as telecommunications. Its value could decline due to developments in the industry even if its investments are sound.
- **Information We Relied on May Prove to be Inaccurate** – When we develop our recommendations, we rely on information provided by managers and funds, third parties that review managers and funds, and other sources of information. We rely on the assumption that such information is accurate and unbiased. While we are alert to indications that data may be incorrect, there is a risk that our analysis may be compromised by inaccurate or misleading information.

### **Risks of Private Fund Investments**

Managers we recommend may invest client assets in private investment funds, or we may recommend that clients invest in specific private funds. If so, clients face the following risks:

- **Investments Will Not Be Liquid** – Because there is no public market for investments in private funds, such investments are not liquid. In addition, investors in private funds generally are contractually and legally restricted from transferring or redeeming such securities. Therefore, holders of such securities may be required to bear the financial risk of their investments for an indefinite period of time.
- **Many Assets Held by Private Funds Are Illiquid** – Because many assets held by private funds are illiquid, such funds may realize losses on unsuccessful investments before they realize gains on successful investments. The full return of capital and the realization of gains, if any, on an illiquid asset likely will occur only on the partial or complete disposal of the asset. In addition, income from some investments will not be realized until several years after the fund acquired the investment.
- **Valuation Risks** – Initial and additional investments in a private fund, redemptions from such a fund, and the calculation of the fund's management fees are based on the fund manager's estimated value of the fund's total assets at the time of the investment, redemption, or management fee calculation. Many assets held in private funds are illiquid and, therefore, have no readily ascertainable fair market value. Therefore, to the extent of a fund's illiquid assets, investors in the fund bear the risk that the fund manager's determinations of fair market value are not correct.





## Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client or prospective client's evaluation of us or the integrity of our management. RVK has no material legal or disciplinary events to report.<sup>3</sup>

## Item 10 – Other Financial Industry Activities and Affiliations

We are obligated to disclose if we, any of our "supervised persons" (meaning our consultants and senior consultants), or any of our "affiliates" (meaning our employees and independent contractors) are involved in other financial industry activities, such as those of a broker-dealer, asset manager, pooled investment vehicle, or sponsor of limited partnerships or limited liability companies. We do not provide asset management or brokerage services nor do we have any other financial industry activities or affiliations to report. In fact, we are not affiliated with any other company. However, if there are any aspects of a client's consulting needs that fall outside of our areas of expertise, we may engage an independent consultant to address those aspects only.

We are also obligated to disclose if we receive compensation from other advisers for recommending or selecting those advisers for our clients. We do not receive any compensation from other advisers.

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

### Code of Ethics

We have adopted a Code of Conduct and Ethics that applies to all of our supervised persons and affiliates. Each of them must agree in writing to comply with our Code of Conduct and Ethics as a condition of employment at RVK. Our Chief Compliance Officer (our "CCO") administers and enforces our Code of Conduct and Ethics.

Our Code of Conduct and Ethics requires our supervised persons to:

- comply with applicable federal and state securities laws
- conduct themselves with uncompromising integrity and professionalism
- fulfill their duty of loyalty by putting client interests first under all circumstances
- disclose any actual or potential conflict of interest
- adhere to our policies limiting the giving or receiving of gifts and business entertainment
- adhere to our policies limiting the giving of political contributions
- report any violation of our Code of Conduct and Ethics to our CCO as soon as possible

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<sup>3</sup> We note that registered advisers are required to report, in Part 1A of Form ADV, all legal and disciplinary events regardless of whether they are material.



- submit reports of securities beneficially owned by them and their related persons, and submit reports of securities transactions by them and their related persons, subject to certain permitted exceptions
- receive the approval of our CCO before investing in private placements, initial public offerings or securities issued by any of our publicly traded clients

Our clients or prospective clients may request a copy of our Code of Conduct and Ethics by contacting our CCO at 503-221-4200 or the address on the cover page of this brochure.

## **Participation or Interest in Client Transactions and Personal Trading**

As described in Item 4 above, we do not make recommendations with respect to individual equity or fixed-income securities, but we may recommend that clients invest assets in specific exchange-traded funds ("ETFs"), limited partnership and limited liability company investment funds, and other investment vehicles.

We and/or our supervised persons or affiliates may buy or sell the same securities we recommend for a client's account. As a result, a conflict of interest could arise if there was limited availability of a certain opportunity. To address that potential conflict, we and our supervised persons and affiliates may not invest individually in any investment opportunity if doing so would cause the desired investment of any qualified client to be reduced.

We do not recommend securities for a client's account if we and/or one of our supervised persons have a material financial interest in the issuer or the securities.

## **Item 12 – Brokerage Practices**

### **Selection of Brokers for Custodial Services**

We generally do not recommend or select brokers to execute client securities transactions. However, we may recommend that clients use the custodial or transition management services of certain brokers. We make those recommendations based on the following factors:

- capability and experience with respect to services sought
- competitive rates
- the level of efficiency and professionalism of services
- past operating history and reputation
- other factors we consider relevant

See Items 4 and 8 above for a full discussion of our custodian evaluation services.

### **Allocation Policy**

We have adopted an allocation policy that applies to all investment opportunities offered to our clients in which there is limited availability, such as investments in certain private fund investments (each, an "Investment Opportunity"). Our allocation policy requires us to: (1) allocate Investment Opportunities fairly and equitably among appropriate clients; and (2) provide



consistent treatment of clients with similar investment objectives and guidelines to the extent practicable.

In the typical situation, we use reasonable efforts to make Investment Opportunities available to as many qualified clients as possible with allocations on a pro rata or other equitable basis. However, our allocation policy also recognizes that:

- a client may ask us to locate a particular Investment Opportunity with specified characteristics and, if such an investment is located, other clients would generally not be able to participate in the Investment Opportunity
- some clients may be offered Investment Opportunities by third parties that are not offered to other clients (for example, follow-on investments offered only to existing investors in a particular fund)
- some clients may not be qualified or suited to invest in certain Investment Opportunities (e.g., because of the client's liquidity requirements or because the Investment Opportunity does not fit within the client's asset allocation targets or is otherwise unsuitable for that client)

## Item 13 – Review of Accounts

We perform portfolio evaluations monthly, quarterly, or semi-annually, depending on what the particular client specifies. Our Investment Analysts initially review client reports, and our Investment Associates, Associate Consultants, and Consultants conduct final reviews.

Our written reports generally contain portfolio performance evaluations of the client's asset managers, including managers of funds in which the client is invested. We prepare customized versions of the following reports, depending on what the client requires:

- Performance Analysis- Our performance analysis compares portfolio results to investment expectations and appropriate benchmarks and ranks the performance of the fund's investment managers relative to their peers. Our reports also include an analysis of the current capital market environment, key risk metrics, portfolio characteristics, and performance attribution.
- Monthly Investment Performance Summary- At the request of the client, we provide monthly asset allocation and performance summaries.
- Investment Policy Review- As discussed in Item 4 above, we can review the compliance of a client's portfolio with respect to their Policy. In these reviews, we monitor whether investment managers are in or out of compliance with the client's Policy guidelines and performance expectations, whether the client's investments are in compliance with the client's asset allocation guidelines, and whether the client is accomplishing its investment objectives.



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

We must disclose if someone who is not a client provides an economic benefit to us for providing consulting services or if we compensate any third party for referring clients to us. We have no such arrangements.

## **Item 15 – Custody**

We do not provide custodial services to our clients. Our clients' assets must be held by a bank, registered broker-dealer or other "qualified custodian." Clients will receive quarterly, or more frequent, account statements directly from their custodian. We urge clients to carefully review the custodial statements and compare them to the reports and/or invoices we provide and that our clients' investment managers provide. The information in those reports may vary from the custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

We must disclose if we have discretionary authority to manage client assets. As strategic investment consultants, we do not have discretionary authority to manage any client assets.

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

We do not have authority to vote client securities. Accordingly, we have not adopted a proxy voting policy. Clients will receive proxies or other solicitations directly from their custodian. We do not provide advice with respect to particular securities solicitations.

## **Item 18 – Financial Information**

RVK qualified for and received an SBA PPP loan to ensure our operations and staff were able to continue to provide the critical services needed by our clients, their institutions and beneficiaries, during a period of significant market, economic, and human health uncertainty. We know the economic disruption caused by the pandemic has affected our clients' ongoing business operations and will likely continue to do so for some time. It has been, and continues to be, our mission to maintain all the services we provide to them in all market environments and economic conditions, especially in times of crises when additional investment consulting support has been needed. We ultimately did not seek forgiveness of the PPP Loan, but instead, are repaying the loan.

We have no other disclosures to make at this time.