

**Form ADV, Part 2A**

# SIVIA CAPITAL

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**August 28, 2023**

This Form ADV, Part 2A, (“Brochure”), provides information about the qualifications and business practices of Sivia Capital Partners, LLC. If you have any questions about the contents of this Brochure, please contact us at partners@siviacapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Sivia Capital Partners, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Sivia Capital Partners, LLC is registered with the SEC under the Investment Advisers Act of 1940. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

**Item 2 – Material Changes**

There are no material changes since our last brochure dated March 31, 2023.

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#### **Item 4 – Our Services**

Sivia Capital Partners, LLC (“Sivia”, “We”, or our “Firm”) is a registered investment advisory firm that offers personal financial management services primarily to wealthy individuals and families. We were established in 2014 as an LLC organized under the laws of the state of Delaware. Corey Saft is the principal owner, managing member and chief compliance officer. As of December 31, 2022, our discretionary assets under management were approximately \$366,142,121.

We provide ongoing individually tailored advice and management services for our clients. Our process starts with learning about an individual or family’s circumstances, needs, and goals. This includes understanding their assets, liabilities, income, expenses, and entities. This includes personal use assets, private investments, and debt. These discussions sometimes involve planning for recent or upcoming liquidity and windfall events.

Our personal financial management services are offered as part of a bundled wealth management service offering which incorporates three principal services: asset management, financial planning, and personal services as described below in more detail.

#### **Asset Management**

Our asset management services are offered on a discretionary basis, and we generally will buy or sell securities without obtaining client approval before implementing our recommendations. Our clients may write us to impose restrictions on their investments. These restrictions may consist of certain asset classes, security types, or specific investments.

As part of our investment strategy, we will consider a wide variety of investment vehicles including equities, fixed income, exchange-traded funds (“ETFs”), mutual funds, derivatives, private funds, private securities, real estate, foreign currencies, and digital assets.

In some circumstances for certain client assets held away from our custodians, we will not exercise discretionary investment management authority over such assets. In this situation, we will render investment advice to our clients on a consulting basis. It is up to the client to accept or reject our recommendations and if accepted, to implement such recommendations.

We also conduct due diligence on client-initiated investments upon request.

As part of our investment services, we utilize third-party portfolio managers (including sub-advisers) to manage either all or a portion of our clients’ portfolios. These arrangements will be set forth in a separate written agreement between the third-party portfolio manager and us or between the third-party manager and the client. The agreement will include the services they render and the compensation they receive. We monitor the performance of the accounts being managed by the third-party portfolio managers on at least an annual basis to ensure their strategies and target allocations remain aligned with the client’s investment objectives. We will ensure the delivery of the third-party portfolio manager’s Part 2A disclosure brochure and Form CRS (if applicable) are delivered to the clients either directly by us or by the third-party portfolio manager.

## **Financial Planning**

We provide broad or module-based ongoing financial planning for our clients. We deliver these services to support financial decisions that will enable better outcomes based on a particular planning objective. These services include but are not limited to cash flow planning, debt analysis, insurance analysis, asset purchasing, estate planning, charitable planning, tax planning, asset protection planning, and education planning. Clients are free to accept or reject our recommendations and to utilize any other person or firm to implement our recommendations. Clients should understand that we have a conflict of interest when we recommend ourselves or our personnel to implement our recommendations (including, without limitation, when we recommend our personnel to provide life insurance services as described in more detail below in Item 5).

## **Personal Services**

We support our clients beyond traditional portfolio management and financial planning. We often coordinate between our clients and their attorneys, tax advisors, insurance advisors, and private bankers. We track many of our clients' entire financial picture including various trusts, personal and business entities, as well as investments not held at our custodians.

## **Item 5 – Fees and Compensation**

We charge an asset-based fee for our bundled asset management, financial planning, and personal services based on the amount of your billable assets, as agreed upon between our firm and our clients at an annual rate of up to 2%. Fees are paid in advance at the beginning of each calendar quarter based on the market value of the assets under management at the close of the prior quarter. Fees are prorated for partial quarters when we initiate a client relationship or terminate a client relationship mid-quarter. For client relationships initiated mid-quarter, we do not charge the client the fee for such quarter until the beginning of the next quarter. We do not adjust fee billing for assets that are added or withdrawn from billable assets mid-quarter.

We may, in our sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

Advisory fee arrangements may be modified by us upon notice to clients. A client may terminate an investment advisory agreement with five (5) business days of advanced written notice. On termination, clients will receive a refund of advisory fees on a prorated basis. Fees are generally deducted directly from client accounts. Our advisory fee does not include fees and expenses charged by third-party portfolio managers, investment funds, custodians, broker-dealers or other third parties. Their fees and expenses may include, without limitation, brokerage commissions, mark-ups and mark-downs, transaction costs, custodial fees, third-party portfolio management fees, investment management fees, account management fees, margin costs, reporting charges, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer fees, electronic fund transfer fees, check fees, and other fees and taxes.

Custodian statements are delivered to clients on at least a quarterly basis via e-mail or mail. The statements show all disbursements from the account, including the advisory fees paid to us and third-party portfolio managers, if billed separately.

We will receive a commission when recommending insurance products. This presents a potential conflict because we have the financial incentive to recommend insurance products to clients. To mitigate this conflict, clients do not pay advisory fees in addition to commissions, and insurance products will only be recommended when it is in the best interest of the client. Ultimately, clients are free to accept or reject such insurance recommendations and have the option to purchase insurance products recommended by other brokers or agents which may cost less than purchasing them directly from us.

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

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

#### **Item 7 – Types of Clients**

Our clients include individuals and high net worth individuals. We generally have a client minimum of \$10 million of billable assets although we may accept a lesser amount in our discretion.

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

We provide individualized investment advice based on the investment objectives and financial situation of each client. We use a wide variety of methods of analysis to formulate our investment advice and manage client assets. These investments bear the risk of loss at any time due to unforeseen market, economic, interest rate, liquidity, or other risks.

When appropriate to the needs and risk tolerances of our clients, we recommend the use of short-term trading (securities sold within 30 days), margin transactions, derivatives, limited partnership, and structured products. We may recommend investment into a limited partnership or other entity in which one or more of our clients has a material financial interest. This presents a potential conflict of interest because making these investments could promote our relationship with such clients. We may recommend investment into structured products, which may have unique complexity, embedded costs, illiquidity, lack of transparency and potentially unfavorable payoff profiles. When investing in a structured product, clients should review the prospectus, offering circular, or other disclosure provided by their custodian. We will endeavor to invest in structured products that are appropriate for the needs and risk tolerances of our clients.

#### **Investing in securities involves risk of loss that clients should be prepared to bear.**

The risks of investing with us include but are not limited to:

##### ***Risk of Loss***

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and the account(s) could enjoy a gain, it is also

possible that the stock market may decrease, and the account(s) could suffer a loss. It is important that clients understand the risks associated with investing in the stock market, and that their assets are appropriately diversified in investments. Clients are encouraged to ask us any questions regarding their risk tolerance.

### ***Asset allocation risk***

The allocations to the various asset classes and market sectors could cause the account to underperform other strategies with a similar investment objective.

### ***Bond Risk***

Bonds have two main sources of risk: interest rate risk and credit risk. *Interest rate risk* is the risk that a rise in interest rates will cause the price of a debt security held by the fund to fall. Securities with longer maturities typically suffer greater declines than those with shorter maturities. Mortgage-backed securities can react somewhat differently to interest rate changes because falling rates can cause losses of principal due to increased mortgage prepayments, and rising rates can lead to decreased prepayments and greater volatility. *Credit risk* is the risk that an issuer of a debt security will default (fail to make scheduled interest or principal payments), potentially reducing income distributions and market values. This risk is increased when a security is downgraded, or the perceived creditworthiness of the issuer deteriorates.

### ***Capital Risk***

Capital risk is one of the most basic, fundamental risks of investing; it is the risk that you may lose 100% of your money. All investments carry some form of risk and the loss of capital is generally a risk for any investment instrument.

### ***Company Risk***

When investing in stock positions, there is always a certain level of company or industry specific risk inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

### ***Credit Risk***

Credit risk can be a factor in situations where an investment's performance relies on a borrower's repayment of borrowed funds. With credit risk, an investor can experience a loss or unfavorable performance if a borrower does not repay the borrowed funds as expected or required. Investment holdings that involve forms of indebtedness (i.e. borrowed funds) are subject to credit risk.

### ***Cyber Risk***

As with any entity that conducts business through electronic means in the modern marketplace, we, and our service providers, may be susceptible to operational and information security risks resulting from cyberattacks. Cyberattacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential information, unauthorized access to relevant systems, compromises to networks or devices that we and our service providers use to service our or their operations, operational disruption or failures in the physical infrastructure or operating systems that support us and our service providers, or various other forms of cybersecurity breaches. Cyberattacks affecting us or any other of our intermediaries or service providers may adversely impact our clients, potentially resulting in, among other things, financial losses or the inability to transact business.

For instance, cyberattacks may impact the release of private client information or confidential business information, impede trading, subject us to regulatory fines or financial losses and/or cause reputational damage. We may also incur additional costs for cybersecurity risk management purposes designed to mitigate or prevent the risk of cyberattacks. Such costs may be ongoing because threats of cyberattacks are constantly evolving as cyber attackers become more sophisticated and their techniques become more complex. Similar types of cybersecurity risks are also present for issuers of securities in which clients are invested, which could result in material, adverse consequences for such issuers and may cause the investments in such companies to lose value. There can be no assurance that we, our service providers, or the issuers of the securities in which clients invest will not suffer losses relating to cyberattacks or other information security breaches in the future.

### ***Data Risk***

The risk that the data and information used by us is erroneous or incomplete.

### ***Economic Risk***

The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

### ***Equity (Stock) Market Risk***

Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their



issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

### ***ETF & Mutual Fund Risk***

When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.

### ***Cryptocurrency Risk***

Cryptocurrencies are high-risk and speculative securities.

Cryptocurrencies bring with them a certain set of risks that are not traditionally found in more traditional securities. Investments in cryptocurrencies can be highly volatile with a much higher risk of losing all capital than traditional securities as unexpected changes in market sentiment can lead to sharp and sudden movements in price. It is not uncommon for the value of cryptocurrencies to quickly drop by more than fifty percent in a short period of time. Any investments in cryptocurrencies may result in complete loss of funds invested.

Digital and cryptocurrencies and other crypto assets are fast evolving, relatively new technology. The methods whereby each Digital Asset is created, secured, accessed and used may differ from one Digital Asset to another.

A general overview of the technology on which bitcoin, the oldest and most widely used Digital Asset, is described below. Other Digital Assets may contain similar (or different) risks and vulnerabilities.

Bitcoin is a decentralized digital currency that enables instant transfers to anyone, anywhere in the world. Managing transactions in bitcoins occurs via an open source, cryptographic protocol platform known as the Bitcoin Network, which uses peer-to-peer technology to operate with no central authority. The Bitcoin Network is an online, end-user-to-end-user network that hosts the public transaction ledger, known as the Bitcoin Blockchain, and the source code that comprises the basis for the cryptographic and algorithmic protocols governing the Bitcoin Network. No single entity owns or operates the Bitcoin Network, the infrastructure of which is collectively maintained by a decentralized user base. As the Bitcoin Network is decentralized, it does not rely on either governmental authorities or financial institutions to create, transmit or determine the value of bitcoins. Rather, the value of bitcoins is determined by the supply of and demand for bitcoins. Bitcoins can be used to pay for goods and services or can be converted to fiat currencies, such as the USD, at rates determined by the Bitcoin Exchanges.

To prevent the possibility of double-spending a single bitcoin, each transaction is recorded, time stamped and publicly displayed in a “block” in the publicly available Bitcoin Blockchain. Thus, the Bitcoin Network provides confirmation against double-spending by memorializing every transaction in the Bitcoin Blockchain, which is publicly accessible and downloaded in part or in whole by many Bitcoin Network users’ software programs.

Because cryptocurrency transactions are recorded on a blockchain, they are irrevocable, meaning once completed, a transaction cannot be cancelled, even in instances of theft or mistake. Clients will be responsible for any losses caused by transactions enacted on behalf of the client unless we act wrongfully intentionally or breach our fiduciary duty.

Prior to engaging in cryptocurrency transactions, a user must first obtain a digital “wallet” in which to store the cryptocurrencies. A “wallet” is an open-source software program that generates digital addresses and enables users to engage in the transfer of cryptocurrencies with other users. A user may install a software program on its computer or mobile device that will generate a wallet or, alternatively, a user may retain a third party to create a digital wallet to be used for the same purpose. There is no limit on the number of digital wallets a user can have, and each such wallet includes one or more unique addresses and a verification system for each address consisting of a “public key” and a “private key,” which are mathematically related. If these are ever lost, stolen, destroyed, or compromised, you will be unable to access the funds. This can be caused by human error or technological failure of the processes created to hold and transfer cryptocurrencies. Clients should be aware of the risks provided by their individual third-party wallet providers. Clients should carefully consider all third-party wallet providers’ cybersecurity measures and policies and procedures for maintaining and protecting digital wallets from cybersecurity incidents including but not limited to: hackers; blockchain technology exploitations; and loss of passcodes.

The growth and use of virtual currencies generally is subject to a high degree of uncertainty. Indeed, the future of the industry likely depends on several factors, including, but not limited to: (a) economic and regulatory conditions relating to both fiat currencies and virtual currencies; (b) government regulation of the use of and access to virtual currencies; (c) government regulation of virtual currency service providers, administrators or exchanges; and (d) the domestic and global market demand for—and availability of—other forms of virtual currency or payment methods. Any slowing or stopping of the development or acceptance of Digital Assets or a Digital Asset network may adversely affect an investment in cryptocurrencies.

A principal risk in trading Digital Assets is the rapid fluctuation of their market price. High price volatility undermines Digital Assets’ role as a medium of exchange as retailers are much less likely to accept them as a form of payment. Fluctuations in the price of Digital Assets should be expected, and such volatility could impact the value of the client’s cryptocurrency investments. There is no guarantee that the client will be able to achieve a better than average market price for Digital Assets or will be able to purchase Digital Assets at the most favorable price available. The value of cryptocurrencies can be influenced by numerous unpredictable factors including , without limitation, Digital Asset

supply and demand; rewards and transaction fees for the recording of transactions on the block chain; availability and access to virtual currency service providers (such as payment processors), exchanges, miners or other Digital Asset users and market participants; perceived or actual Digital Asset network or Digital Asset security vulnerability; inflation levels; fiscal policy; interest rates; and political, natural and economic events.

To the extent the public demand for Digital Assets were to decrease, or the client was unable to find a willing buyer, the price of Digital Assets could fluctuate rapidly and the client may be unable to sell its Digital Assets at the price and at the time desired. Further, if the supply of Digital Assets available to the public were to increase or decrease suddenly due to, for example, a change in a Digital Asset's source code, the dissolution of a virtual currency exchange, or seizure of Digital Assets by government authorities, the price of Digital Assets could fluctuate rapidly. Such changes in demand and supply of Digital Assets could adversely affect an investment in such cryptocurrencies. In addition, governments may intervene, directly and by regulation, in the Digital Asset market, with the specific effect, or intention, of influencing Digital Asset prices and valuation (e.g., releasing previously seized Digital Assets). Similarly, any government action or regulation may indirectly affect the Digital Asset market or Digital Asset network, influencing Digital Asset use or prices.

The virtual currency exchanges on which Digital Assets trade are relatively new and largely unregulated and may therefore be more exposed to theft, fraud and failure than established, regulated exchanges for other products. In general, virtual currency exchanges are currently start-up businesses with no institutional backing, limited operating history and publicly available financial information. Additionally, upon sale of Digital Assets, cash proceeds may not be received from the exchange for several business days. The participation in exchanges requires users to take on credit risk by transferring Digital Assets from a personal account to a third-party's account.

Virtual currency exchanges may impose daily, weekly, monthly or customer-specific transaction or distribution limits or suspend withdrawals entirely, rendering the exchange of virtual currency for fiat currency difficult or impossible. Additionally, Digital Asset prices and valuations on virtual currency exchanges have been volatile and subject to influence by many factors including the levels of liquidity on exchanges and operational interruptions and disruptions. The prices and valuation of Digital Assets remain subject to any volatility experienced by virtual currency exchanges, and any such volatility can adversely affect an investment in the cryptocurrencies.

Virtual currency exchanges are targets for cybercrime, hackers and malware. It is possible that while engaging in transactions with various Digital Asset exchanges located throughout the world, any such exchange may cease operations due to theft, fraud, security breach, liquidity issues, or government investigation. In addition, banks may refuse to process wire transfers to or from exchanges. Over the past several years, many exchanges have, indeed, closed due to fraud, theft; government or regulatory involvement, failure or security breaches (e.g., the voluntary temporary suspensions by Mt. Gox of cash withdrawals due to distributed denial of service attacks by malware and/or hackers), or banking issues.

Any financial, security or operational difficulties experienced by such exchanges may result in an inability of the client to recover money or Digital Assets being held by the exchange.

Additionally, to the extent that the Digital Asset exchanges representing a substantial portion of the volume in Digital Asset trading are involved in fraud or experience security failures or other operational issues, such Digital Asset exchanges' failures may result in loss or less favorable prices of Digital Assets or may adversely affect the client's investments.

Exchanges on which trades are executed may operate outside of the United States. The client may have difficulty in successfully pursuing claims in the courts of such countries or enforcing in the courts of such countries a judgment obtained by the client in another country. In general, certain less developed countries lack fully developed legal systems and bodies of commercial law and practices normally found in countries with more developed market economies. These legal and regulatory risks may adversely affect the client and its investments.

Currently, there is relatively modest use of Digital Assets in the retail and commercial marketplace compared to its use by speculators, thus contributing to price volatility that could adversely affect an investment in cryptocurrencies. If future regulatory actions or policies limit the ability to own or exchange Digital Assets in the retail and commercial marketplace, or use them for payments, or own them generally, the price and demand for Digital Assets may decrease.

### ***Financial Risk***

Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment.

Examples of financial risk can be found in cases like Enron or many of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

### ***Foreign Investing Risk***

This is the risk that the account's investments in foreign securities may be adversely affected by political and economic conditions overseas, reduced liquidity, or decreases in foreign currency values relative to the U.S. dollar. We mitigate this risk by primarily investing in U.S. dollar denominated securities for all U.S. based clients.

### ***Inflation Risk***

Inflation risk involves the concern that in the future, your investment or proceeds from your investment will not be worth what they are today. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today. Said another way, a dollar tomorrow will likely get you less than what it can today.

### ***Interest Rate Risk***

Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

### ***Investment Style Risk***

Different investment styles tend to shift in and out of favor. We favor the wrong investment style at the wrong time and therefore underperform. We mitigate this risk by consistently revisiting our investment styles and their corresponding investment thesis.

### ***Legal/Regulatory Risk***

Certain investments or the issuers of investments may be affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.

### ***Liquidity Risk***

Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated quickly, thus, extending the period of time by which you may receive the proceeds from your investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e. not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.

### ***Market Risk***

The value of your portfolio may decrease if the value of an individual company or multiple companies in the portfolio decreases or if our belief about a company's intrinsic worth is incorrect. Further, regardless of how well individual companies perform, the value of your portfolio could also decrease if there are deteriorating economic or market conditions. It is important to understand that the value of your investment may fall, sometimes sharply, in response to changes in the market, and you could lose money. Investment risks include price risk as may be observed by a drop in a security's price due to company specific events (e.g. earnings disappointment or downgrade in the rating of a bond) or general market risk (e.g. such as a "bear" market when stock values fall in general). For fixed-income securities, a period of rising interest rates could erode

the value of a bond since bond values generally fall as bond yields go up. Past performance is not a guarantee of future returns.

### ***Market Timing Risk***

Market timing can include high risk of loss since it looks at an aggregate market versus a specific security. Timing risk explains the potential for missing out on beneficial movements in price due to an error in timing. This could cause harm to the value of an investor's portfolio because of purchasing too high or selling too low.

### ***Mid-Sized Companies Risk***

Investments in securities issued by mid-sized companies may involve greater risks than are customarily associated with larger, more established companies. Securities issued by mid-sized companies tend to be more volatile than securities issued by larger or more established companies and may underperform as compared to the securities of larger companies.

### ***Money Market Risk***

An investment in a money market fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.

### ***Operational Risk***

Operational risk can be experienced when an issuer of an investment product is unable to carry out the business it has planned to execute. Operational risk can be experienced as a result of human failure, operational inefficiencies, system failures, or the failure of other processes critical to the business operations of the issuer or counter party to the investment.

### ***Past Performance***

Charting and technical analysis are often used interchangeably. Technical analysis generally attempts to forecast an investment's future potential by analyzing its past performance and other related statistics. In particular, technical analysis often times involves an evaluation of historical pricing and volume of a particular security for the purpose of forecasting where future price and volume figures may go. As with any investment analysis method, technical analysis runs the risk of not knowing the future and thus, investors should realize that even the most diligent and thorough technical analysis cannot predict or guarantee the future performance of any particular investment instrument or issuer thereof.

### ***Performance / Expectation Risk***

Clients may come to expect performance similar to the past or to future capital market assumptions and long-term forecasts. There can be no assurance that the past or any such projections will provide a useful understanding of prospective results.

### ***Portfolio Construction Risk***

The risk that our portfolios constructed contain unintended exposures or persistent biases. We manage this risk by regularly examining its sources of return to detect the sources of any particularly large gains or losses as well as any persistent biases in exposures.

### ***Structured Products***

When suitable we may recommend structured products, which carry their own risks. Typically, the security is issued by a financial institution, which poses a risk that in the event of default or bankruptcy of the issuing institution, the client will receive less than originally invested. There are additional risk factors specific to each individual note.

### ***Systems Risk***

The risk that our investment infrastructure (software, hardware, databases, and communications links) is damaged or inaccessible for a protracted period. We mitigate this risk by having redundant hardware and a cloud-based software and data architecture.

### ***Third-Party Portfolio Managers***

We do not control the investment decisions of third-party portfolio managers in a client's broader portfolio. Investing in multiple investment products could cause a client to hold opposite positions in an investment. This could decrease or eliminate the possibility of positive returns from such investment.

### ***Valuation and Fees***

We charge fees on the total value of assets managed. This may include assets that are not perceived as traditional investments, which may need to be fair valued. A conflict arises as we are financially incentivized to value such assets higher because it can earn more compensation in such circumstances. Nonetheless, we have adopted policies and procedures reasonably designed to ensure that a process is followed for "fair valuing" client assets.

## **Item 9 – Disciplinary Information**

We are not aware of any legal or disciplinary event that is material to an evaluation of our integrity or ability to meet contractual commitments to clients. There are no disciplinary actions to report.

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

We are not affiliated with any other financial industry entities.

## **Item 11 – Code of Ethics**

We adopt a Code of Ethics (“Code”) for all of our supervised persons describing our high standard of business conduct and fiduciary duty to clients. The purpose of this Code is to require our employees to act in the best interest of our clients at all times and to address potential conflicts of interest between us, our employees, and our advisory clients. Clients or prospective clients may request a copy of the Code by contacting our Chief Compliance Officer at [partners@siviacapital.com](mailto:partners@siviacapital.com).

Our Code is based on the principle that all supervised persons have a fiduciary duty to place the interest of clients ahead of their own interest and the interests of our firm. We must avoid activities, interests and relationships that might interfere with making decisions in the best interest of advisory clients. As fiduciaries, we must, at all times: (1) place the interests of advisory clients first, (2) avoid taking inappropriate advantage of their position (for example, access persons may not use their knowledge of portfolio transactions to profit by the market effect of such transactions) and (3) conduct and report all personal securities transactions in full compliance with the Code on an ongoing basis. The Code has additional reporting obligations for “Access Persons” (i.e., employees and certain other persons with access to confidential information regarding client investments). These reporting requirements ensure that Access Persons do not place their personal interests ahead of clients’ interests when making their personal securities transactions.

The Code also permits our employees to personally invest in securities recommended for clients. The Code sets forth procedures that do not allow employees to benefit over the client on a particular security, therefore anytime a security is being recommended for the client and the employee wants to participate they will either trade with the client to receive the same average price or after the client.

## **Item 12 – Brokerage Practices**

We have discretion over the selection of broker and commission rates paid by our clients, in the absence of specific instructions. We primarily recommend the custody, brokerage and clearing services of Fidelity and Charles Schwab for investment management accounts but we may work with other firms. We do not receive referrals from the aforementioned brokers. We do not have any formal soft dollar arrangements with such brokers, however, we receive certain support designed to facilitate our management of our client assets from the recommended brokers including the following: (i) duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order entry and account information. We may also receive research as well as other products and services from such brokers over time. The receipt of such economic benefits creates a potential conflict of interest, based upon our firm’s recommendation. This conflict is mitigated through the



oversight of the brokers trading services to ensure the receipt of the products and services does not override the overall execution being provided to the client.

In selecting a broker for any transaction or series of transactions, we will attempt to obtain, in our good faith judgment, best execution for client transactions and will periodically review qualitative and quantitative factors to determine if we have satisfied our duty of best execution for our clients which entails reviewing various factors including amount of transaction costs paid, net prices realized, and the broker's reputation, financial strength and stability, efficiency, responsiveness, error resolution capabilities, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, software quality, the availability of stocks to borrow for short trades and other matters involved in the receipt of brokerage services generally.

We will on occasion and in our discretion, aggregate the trades of advisory clients when it is in the best interest of our clients. Clients who participate in aggregated trades will receive the same average price and an equitable allocation of shares.

A client may direct us to utilize a particular broker-dealer to execute some or all transactions for their account. In such circumstances, the client is responsible for negotiating the terms and arrangements for the account with that broker-dealer. We will not be able to seek better execution services or prices from other broker-dealers and will not be able to aggregate the client's transactions with other broker-dealers with orders for other accounts advised or managed by us. As a result, we will not obtain best execution on behalf of the client, who may pay materially disparate commissions, greater spreads, or other transaction costs, or receive less favorable net prices on transactions for the account than would otherwise be the case.

### **Item 13 – Review of Accounts**

Client portfolios are reviewed on at least an annual basis by our investment professionals. Our firm does not provide written reports to clients, unless asked to do so. Our firm may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, client life events, or by client request.

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

We do not pay compensation to third parties for client referrals or receive any economic benefit from third parties in relation to the investment advice and services provided to our clients.

### **Item 15 – Custody**

We do not maintain physical custody of clients' assets. All client assets are maintained at an independent qualified custodian that provides statements to clients, either monthly or quarterly, detailing the holdings, transactions and fees in their account. These statements should be carefully reviewed by clients on a regular basis.

Due to our ability to direct debit fees from client accounts and also to direct custodians to transfer client funds to designated third parties as authorized by the client, Sivia is considered to have custody of client funds and securities under Rule 206(4)-2.

**Item 16 – Investment Discretion**

We provide discretionary advisory services to our clients, which means that we will purchase and sell securities without prior client permission in accordance with a limited power of attorney. This discretion is obtained by executing an investment management agreement with us. The limited power of attorney generally prohibits us from withdrawing funds from the clients' custodial and brokerage accounts except in a 1<sup>st</sup> party or 3<sup>rd</sup> party common capacity.

**Item 17 – Voting Client Securities**

We do not have proxy voting rights on behalf of our clients. We instruct our custodians to deliver all proxy voting materials directly to the client. Clients who wish to discuss their proxy votes with us may contact our Chief Compliance Officer at [partners@siviacapital.com](mailto:partners@siviacapital.com).

**Item 18 – Financial Information**

We are required in this Item to provide you with certain financial information or disclosures regarding any financial conditions that may impair our ability to meet contractual commitments to clients. We have no financial conditions that impair our ability to meet contractual and fiduciary commitments to our clients and have not been the subject of a bankruptcy proceeding.