

# CV ADVISORS

## Item 1 – Cover Page

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

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Updated: December 15, 2023

This Brochure (the “Brochure”) provides information about the qualifications and business practices of CV Advisors LLC (“CV Advisors” or “the Firm”). If you have any questions about the contents of this Brochure, please contact us at [compliance@cv-advisors.com](mailto:compliance@cv-advisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

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

## **Item 2 – Material Changes**

The following changes have occurred since the last filing of CV Advisors' Part 2A of Form ADV on March 31, 2023:

On October 31, 2023, the primary direct ownership of CV Advisors LLC was transferred from the three founding partners and principals' living trusts to CV Advisors Group, LLC. This change was made for succession and estate planning purposes. However, on an indirect basis, the firm remains under the primary ownership of the three founding partners through their respective living trusts.

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

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## Item 4 – Advisory Business

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

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

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

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

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

- Fixed income, including, but not limited to, investment grade bonds, high yield corporate bonds, and sovereign bonds
- Municipal fixed income securities

- Exchange traded funds
- Equity securities: exchange-listed, over the counter, and foreign securities
- Private equity funds and direct private equity
- Alternative investments, including decentralized finance-based products
- Certificates of deposit
- Managed accounts
- Mutual funds
- Options and other derivative products

*Fixed Income.* CV Advisors utilizes a blend of investment grade and high yield corporate bonds, as well as other fixed income instruments, in order to build a fixed income exposure for client portfolios. The Firm has dedicated substantial resources to developing an experienced research team, proprietary analytical tools, and processes to help the Firm perform detailed credit analysis. These resources help CV Advisors to design, implement, and monitor diversified portfolios of fixed income securities appropriate for specific Clients' Investment Policy Statements.

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

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

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

As of December 31, 2022, CV Advisors' Regulatory Assets Under Management ("RAUM") totaled \$8,415,385,935.

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

CV Advisors' RAUM consisted of \$529,103,409 of discretionary managed assets and \$7,886,282,526 of non-discretionary managed assets.

In addition to regulatory assets under management, CV Advisors had Client mandates to provide consolidated reporting on \$4,411,957,631 in assets as of December 31, 2022.

In total, CV Advisors advised to or provided reporting on \$12,827,343,566 in Client assets as of December 31, 2022.

## Item 5 – Fees and Compensation

### Advisory Services

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

CV Advisors’ fee schedule is generally as follows:

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

There is typically a minimum annual Advisory Fee of \$250,000.

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

The specific manner in which Advisory Fees are charged is established in the Advisory Agreement. Certain Clients request that Advisory Fees be calculated and billed on a quarterly basis, payable in advance or in arrears. Other Clients request that Advisory Fees be calculated on an annual basis, payable in advance or arrears, and billed monthly, quarterly, or as otherwise indicated in their Advisory Agreements, but in no case CV Advisors require or solicit prepayment of fees six months or more in advance. Some Clients’ fee schedules and billing procedures differ from the general process described herein, as provided in such Clients’ Advisory Agreements.

CV Advisors generally uses the Client’s portfolio value, shown as the “Daily Estimate” in the CV App, as the starting point for computing a Client’s Advisory Fee. Then, in keeping with the Advisory Agreement (or other verbal or written documentation between the Client and their portfolio manager), the Firm will arrive at a final portfolio value upon which the Client’s Advisory Fee is calculated. The CV App and other Portfolio reporting uses pricing data obtained and aggregated from Bloomberg, the Client or the Client’s custodians, third-party fund managers, and other independent pricing services. For Advisory Fees payable in arrears, fees are calculated based on the portfolio value, as shown in the Daily Estimate, as of the last

day of the Client's billing period. For Advisory Fees payable in advance, fees are calculated based on the portfolio value, as shown in the Daily Estimate, as of the first day of the Client's billing period (for more information on how CV Advisors reports portfolio values to Clients, please refer to the *Review of Accounts* section).

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

### **Fixed Arrangements**

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

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

### **Affiliated Pooled Investment Vehicles**

Clients invested in the Funds do not pay CV Advisors any separate investment advisory fees apart from their standard Advisory Fees. However, Investors are subject to an initial expense contribution, which is typically 1% (one percent) of their committed investment ("Expense Contribution")—but can be higher depending upon the nature of the underlying fund or investment—for organizational and ongoing partnership expenses of the Funds such as legal, filing, accounting, auditing, and third-party fund administrator fees. Investors may also be subject to potential future Fund expenses depending upon the duration of the Fund. Detailed information regarding Fund fees, costs, and expenses can be found in the respective Fund's offering documents which Investors are strongly encouraged to read. Non-Clients invested in the Funds will typically pay a separate Advisory Fee of 0.25% of their quarterly capital account balance (1% per annum), in addition to the Expense Contribution, as well as potential future Fund expenses, as referenced above.

Clients, directly or through the Funds, will also incur certain expenses, such as brokerage and other transactions costs imposed by private banks, investment banks, or broker-dealers ("Brokers"), custodians, third-party investments, and other third parties. These other expenses are not included in the Advisory Fee and are borne separately by the Client, to the extent applicable (please refer to the *Brokerage Practices* section for additional information).

### **Other Fees and Expenses**

For certain Clients, CV Advisors invests a portion of a Client's assets in shares of mutual funds or other investment companies, including exchange-traded funds, as well as unaffiliated private funds. Assets invested in these funds bear other additional fees and expenses, related but not limited to, organizing the

funds, administration, accounting and tax, audit, legal, and filings and regulatory compliance. Clients invested in these funds should refer to the applicable fund's offering documents or prospectus for complete information on other fees and expenses.

### **Expenses Paid on Behalf of Clients**

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

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

CV Advisors<sup>®</sup> does not charge performance-based fees to Clients.

## **Item 7 – Types of Clients**

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

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

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

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

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

Fundamental Analysis. This involves the macro-economic analysis of country balance sheets, trade flows, corporate financial statements, and the general financial health of a country or company.

Qualitative Analysis. This analysis is of relevance when evaluating third-party fund managers and fund management companies, and can include analysis of regulatory records, public records, background



research, third-party fund manager team profiles, hiring processes, reference checks, audit results, and other analyses.

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

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

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

## **B. Investment Strategies**

CV Advisors emphasizes the need for disciplined, long-term investment strategies (involving securities typically held for at least a year) to achieve Clients' objectives. Nevertheless, CV Advisors will selectively use short-term investments (securities held less than a year) and trading (securities held for less than 30 days) for tactical reallocations, in an effort to manage or moderate risk or to attempt to capture a specific investment opportunity. CV Advisors will utilize one or more of these investment strategies in an effort to achieve the risk-adjusted returns, as articulated in the Client's Investment Policy Statement.

## **C. Risk of Loss**

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

*ETFs.* CV Advisors also recommends investments in ETFs to certain Clients. ETFs are hybrid investment companies that are registered as open-end investment companies or unit investment trusts, but which possess some of the characteristics of closed-end funds. ETFs often hold a portfolio of common stock that is intended to track the price and dividend performance of a particular index. Certain ETFs are actively managed, and the performance of such securities will be dependent upon third-party managers. The market price for ETF shares may be higher or lower than the ETF's net asset value. Regarding sales not conducted

on a market (which typically require the sale of a larger number of shares), the sale and redemption prices of ETF shares purchased from the issuer are based on the issuer's net asset value. The total return on ETF investments will be reduced by the operating expenses and fees of such investment companies, including advisory fees.

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

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

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

*Private Funds.* CV Advisors recommends investments in its own Funds, as well as in other unrelated private funds, to certain Clients. Investments in private funds involve risks distinct from those of publicly traded securities. Specific risks are explained in more detail with Investors for whom the Firm recommends investing in private funds. Also, Investors in CV Advisors or other private funds will receive copies of the private funds' offering documents, which further discuss the risks of such investments.

*Financial Institution Risk; Distress Events.* An investment in a Fund is subject to the risk that one of the Fund's banks or other custodians of some or all the Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty ( a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, or accounting irregularities. In the event a Financial Institution experiences a Distress Event, CV Advisors, the Funds and/or their investments may not be able to access deposits or other services for an extended period or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC"), in the case of banks, amounts in excess of the relevant insurance are subject to risk of loss.

Any Distress Event has a potentially adverse effect on the ability of CV Advisors to manage the Funds and their investments, which could result in losses. Although CV Advisors endeavors to maintain balances below the FDIC insurance threshold and expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

Although CV Advisors seeks to do business with Custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, CV Advisors is under no obligation to use a minimum number of Custodians with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

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

*Pandemic Risk.* The impact of epidemics and pandemics could greatly affect the economies of many nations including the United States, individual companies, and the markets, in general. Pandemics can cause extreme volatility and disruption in both the U.S. and global markets, causing uncertainty and risks to various factors, such as economic growth. Health crises caused by the coronavirus outbreak has exacerbated other preexisting political, social, and economic risks in certain countries and globally. Also, pandemics, in general, can result in closed borders, enhanced health screenings, interrupted healthcare service preparation and delivery, quarantines, cancellation of travel, disruptions to supply chains and customer activity, as well as general concern and uncertainty. While the impact that COVID-19 (and its variants) had on global markets has yet to be fully realized, an outbreak of any infectious disease or other serious public health concern—together with any resulting quarantines or restrictions on travel—can have a profound negative impact on economic and market conditions and can trigger a period of global economic slowdown. Any such economic impact could adversely affect the performance of CV Advisors’ recommended investments.

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

## **Item 9 – Disciplinary Information**

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

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

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

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

CV Advisors<sup>®</sup> has adopted a Code of Ethics (the “Code”) which imposes on each employee a duty to place the interests of Clients first. The Code requires officers, owners, and employees to, among other things, report to the Chief Compliance Officer (“CCO”) any actual or potential conflict of interest relating to any Firm Client. The Code also imposes restrictions and safeguards on the reporting and use of material, non-public information.

CV Advisors maintains a Restricted List of securities and the Code imposes certain blackout periods when the Firm is making a recommendation or considering recommending that Clients buy or sell a particular security. The Firm, at its discretion, will also impose blackout periods on certain securities where conditions—such as the COVID-19 pandemic, potential M&A activity, an activist takeover, or an increase in geographical risk—could impact its investment thesis for that security.

The Code requires all officers, owners, and employees of the Firm to report, monthly and annually, their own and immediate family members’ security holdings and transactions to the CCO. This is generally accomplished with the assistance of a third-party software platform, into which most of this account information is electronically downloaded daily. In circumstances where that information does not download, account data is entered manually, either by the employee or the CCO. For certain securities transaction requests, the technology described above assists the CCO in confirming if the security is on the Firm’s Restricted or other screening lists and whether there exist other criteria that could be relevant to the approval or rejection of the request.

Trades in initial public offerings and private placements (limited offerings) must be pre-approved by the CCO. As previously mentioned, Employees invest in CV Advisors’ Funds, alongside Clients and non-Clients. In addition, eligible Employees invest in private placements sponsored by Clients or third-party service providers to the Firm. The CCO reviews these pre-clearance requests to help ensure conflicts of interest are adequately addressed, such as confirming that Clients and/or service providers do not receive preferential terms from CV Advisors because of employees’ personal investments.

Other than interests in the Funds, CV Advisors does not buy or sell securities for Client accounts in which CV Advisors, or a related person, has a material financial interest and the Firm does not engage in principal transactions. Certain employees of the Firm and their family members have accounts, (collectively, “Employee Accounts”) overseen by CV Advisors and so invest in the same publicly traded securities that are recommended to Clients. This practice presents inherent conflicts of interest, such as employees and/or certain of their family members: 1) trading before Clients (i.e., front-running), and/or 2) receiving a better price than Clients. To address and mitigate potential conflicts of interest associated with personal trading, Firm employees must wait until the Firm-assigned blackout period for each publicly traded security expires. The blackout period enables the Firm’s portfolio managers to notify Clients of Firm recommendations and to purchase, sell, or hold those securities on behalf of Clients prior to employee trading. The CCO monitors employee trading, relative to Client trading, to help ensure that employees do not engage in improper transactions.

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

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

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

## **Item 12 – Brokerage Practices**

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

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

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

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

discretionary and non-discretionary Clients receiving more or less favorable execution prices on the same security, which can result in differences in performance for the same security.

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

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

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

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

Occasionally, Clients will receive distributions of equity positions, previously held within one of the Firm's Funds. Absent a specific recommendation by the Firm's Investment Committee, the Firm's recommendation to Clients will be to sell such securities immediately. A Client can independently choose to retain such securities within their portfolio.

The Firm does not have any soft dollar relationships.

## **Item 13 – Review of Accounts**

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

CV Advisors® uses proprietary analytical tools to monitor, record, analyze, and report estimated and unaudited Client account performance daily, called the “Daily Estimate,” via the CV App. The Firm also makes performance reports electronically available to Clients through a secure website operated by a third-party. The Firm provides Clients with a written or electronic monthly report (the “Monthly Report”) in conjunction with the opportunity of a monthly meeting (in person, by phone, or through video conferencing). The Monthly Report includes asset performance, comparisons to established benchmarks, holdings, and transactions. For those investing in the Funds, a third-party administrator provides quarterly capital statements and unaudited quarterly fund financial statements. The Funds will also provide audited financial statements annually, subject to the terms of the target fund’s documents.

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

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

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

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

## **Item 15 – Custody**

CV Advisors® is deemed to have custody with respect to the assets of the Funds, which will be subject to an annual audit, and audited financial statements will be distributed to each Fund investor. The audited financial statements will be prepared in accordance with generally accepted accounting principles and are typically distributed within 120 days of the Fund’s fiscal year end. Funds that are deemed fund of funds, investing more than 10% or more of its assets in unaffiliated pooled investment vehicles, are typically distributed audited financial statements within 180 days of the Fund’s fiscal year end.

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

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

## **Item 16 – Investment Discretion**

Where appropriate, CV Advisors® accepts discretionary investment authority, upon the execution of an Advisory Agreement, to manage securities accounts on behalf of a Client. Discretion typically confers upon CV Advisors, the authority to execute trades or implement recommendations on behalf of that Client. In making decisions as to which securities are to be bought or sold and the amounts thereof, the Firm will be guided by any reasonable Client-imposed guidelines or restrictions set forth in their Investment Policy Statement. With discretionary arrangements, the Firm is generally not required to provide notice to, consult with, or seek the consent of the Client prior to engaging in transactions. CV Advisors' discretion is limited to purchasing and selling securities and the Firm is not authorized to transfer any funds or securities out of any Client account.

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

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

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

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

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

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



From time to time, CV Advisors receives notices regarding class action lawsuits involving securities that are or were held by Clients. As a matter of policy, CV Advisors can assist Clients in gathering documentation. However, the Firm refrains from serving as the lead plaintiff in class action matters and from submitting proofs of claim, unless CV Advisors has accepted the authority to do so through the Client's Advisory Agreement.

## **Item 18 – Financial Information**

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