

Motiwala Capital LLC

Firm Brochure – Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Motiwala Capital. If you have any questions about the contents of this brochure, please contact us at the phone number or email address listed below. 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 Motiwala Capital LLC is available on the SEC's website at www.adviserinfo.sec.gov. Motiwala Capital LLC's CRD number is: 156133

Being a "registered investment adviser" or describing ourselves as being "registered," does not imply a certain level of skill or training.

Item 1 Identification

Motiwala Capital
2015 Loma Alta Drive
Irving, Texas 75063
Phone: 817-689-5115
Email: adib@motiwalacapital.com
Website: www.motiwalacapital.com

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Item 2 Material Changes

There are no material changes since the previous edition.

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Item 4 *Advisory Business*

- A. Motiwala Capital is a Texas Limited Liability Company formed on Dec 13, 2010. We are an investment management company that builds and manages investment portfolios for private individuals and businesses. The principal owner is Adib Motiwala.
- B. We offer portfolio management advisory services for investors. We build clients' portfolios with stocks of companies we believe are undervalued. We restrict investments to equity, debt and options securities.
- C. Our firm does not usually tailor the advisory services to the individual needs of clients. We look for undervalued securities and build concentrated portfolios usually containing 15 – 25 securities. If a client has reservations about owning securities of certain kinds of businesses, then that would be considered when building the portfolio. Example: Investors may want to avoid stocks in businesses that sell alcohol.
- D. Our firm does not participate in wrap fee programs. We are an independent fee-only advisor. We receive no commissions from selling any financial products nor do we receive a portion of the transaction fees charged by the broker/dealer.
- E. As of May 6, 2019 we managed client assets totaling \$3.60 million.

All accounts are managed on a discretionary basis.

Item 5 *Fees and Compensation*

- A. We are a fee-only advisor and our advisory services fees are based on a percentage of the assets under management. On the last business day of a quarter, the fair market value of all the securities in a clients' account is added to come up with the assets under management. We charge a fixed percentage on this asset under management amount on a quarterly basis as per the fee schedule below. The fees are negotiable. Lower fees for comparable services may be available from other sources.

Fee Schedule

Assets Under Management	Quarterly Fee	Annual Fee
AUM less than \$250,000	0.375%	1.50%
\$250,001 - \$500,000	0.3125%	1.25%
Over \$500,000	0.25%	1.00%

- B. Fees for our advisory services are charged on a quarterly basis. We calculate the quarterly fee as explained above and submit an invoice to the custodian. The custodian then deducts the fees from clients' account and transfers it to our account. The advisory fees will be reflected on the reports sent to the client by the custodian.
- C. Clients will incur brokerage fees and other transaction costs charged by the broker/dealer and custodian. Custodians may charge an annual fee for IRA accounts. Please see item 12 that discusses brokerage.

- D. Our firm does not charge fees in advance. Fees are charged quarterly in arrears.
- E. Our firm does not accept compensation for the sale of securities or other investment products.

Item 6 *Performance-Based Fees*

For clients who are ‘qualified’ per [SEC rule 205-3](#), we also offer a performance based fee arrangements of 20% of the annualized account profit, subject to a high water mark. The fee shall be paid annually, in arrears. High water mark is defined as the highest peak in value that an investment account has reached. Fees are subject to a high water mark meaning that if the account value falls below its year end peak, the client will not be charged performance fees again until the account value at the next new year end exceeds that previous high. The performance results are measured after all fees, account expenses, and brokerage commissions. At this time, no client of Motiwala Capital has opted for the performance based fee arrangement.

Item 7 *Types of Clients*

Our firm provides investment advisory services to individuals and high net worth individuals. Our clients usually lack the time and specialized knowledge and skills to build and manage their portfolios. Because our investment time horizon for most purchases may be up to two or more years, our clients must be willing to look beyond short-term fluctuations to achieve long-term investment targets.

The minimum account size is \$50,000. We may use our discretion to waive this minimum.

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

- A. We use a method known as fundamental analysis to analyze securities, which entails analyzing individual companies' business operations, evaluating their financial statements and management teams. We conservatively estimate the intrinsic value of individual companies. We then compare our results to the current market prices. If the companies are trading for less than our opinion of value by a sufficient discount, and we like their long-term outlooks, we purchase them for our clients' portfolios. We use various sources of information and data for research and portfolio management. Some of these sources include, but are not limited to company SEC filings, earnings call transcripts, Value Line, Bloomberg, Barron's, Wall Street Journal, Edgar, Forbes, and various industry trade publications, journals, and books.

Our firm employs a bottom-up value investing style. We research one company at a time and identify companies whose stock prices are under-valued when compared to their assessed intrinsic value.

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

- B. Investments in securities are subject to various risks. Clients may lose money on the investments. Some specific sources of risk include:

Market Risk: Stock prices fluctuate in response to many factors including the activities of individual companies and general market and economic conditions. Regardless of any one company's particular prospects, a declining stock market may produce a decline in stock prices for all companies. Stock market declines may continue for an indefinite period of time, and Clients should understand that from time to time during temporary or extended bear markets, the value of Client's portfolio assets may decline. During such periods of decline, the Client may experience substantial losses.

Management Risk: There is no guarantee that investment decisions will produce the desired result, and they may cause the portfolio to underperform in comparison to the broad equity market or specific relevant equity benchmarks.

Concentration Risk: Since we structure less diversified portfolios than the broad U.S. equity market, this generates above average volatility and risk.

Item 9 *Disciplinary Information*

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10 *Other Financial Industry Activities and Affiliations*

- A. No management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. No management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. This item is not applicable.
- D. Our firm does not recommend or select other investment advisers for our clients.

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

- A. A copy of our code of ethics is available to any client or prospective client upon request.
- B. Our firm does not buy or sell for client accounts, securities in which our firm or a related person has a material financial interest.
- C. Our firm or a related person may invest in the same securities (or related securities, e.g., warrants, options or futures) that our firm or a related person recommends to clients. Sometimes this practice can cause conflicts of interest. Front running, for instance, is a practice whereby an individual takes a position by buying an option on a security expected to benefit from a large block transaction. Our policy in this regard is as follows:

No employee or access person shall purchase or sell, directly or indirectly, any security in which he has, or because of such transaction acquires, any direct or indirect beneficial ownership, if the person knows at the time of purchase or sale that the security :

- 1. Is being considered, or within three days preceding the proposed transaction has been considered, for purchase or sale by any client; or
- 2. Is being purchased or sold by any client, or was purchased or sold by a client within the three days preceding the access person's transactions;

or

However, an employee or access person may participate as part of a "bunch" order with clients simultaneously purchasing or selling a security. The Adviser must determine that, for each transaction, bundling is consistent with best execution and no client is favored.

Item 12 *Brokerage Practices*

- A. Our firm considers several factors in selecting broker-dealers for client transactions. Some of these factors include low transaction costs, speed of execution, no fees to transfer assets and low minimum account sizes. We like to keep transaction costs less than 1% of the amount being invested in a given transaction.
1. Research and Other Soft Dollar Benefits
The term “soft dollars” describes a brokerage practice in which investment advisers use client brokerage commissions to pay for services such as research, IT equipment, economic analysis, and publications. We do not engage in any soft dollars arrangements.
 2. Brokerage for Client Referrals
Our firm or a related person does not receive client referrals from a broker-dealer or third party.
 3. Directed Brokerage:
 - a. Our firm does recommend broker-dealer to clients with a view to keeping transaction costs low and with speed of execution. Not all advisers require their clients to use a particular brokerage. Our firm has no affiliates or any other economic relationship that creates a material conflict of interest.
 - b. Our firm is not involved in direct brokerage practices.
- B. Most of our clients’ accounts will have identical securities. When purchasing or selling a security, if it is going to apply to all clients, then we will attempt to aggregate the orders in a single block transaction. However, at times the security may not have enough liquidity and purchasing or selling a large block may move the stock prices at a disadvantage to our clients. Similarly, when we take on a new client, individual transactions may be used.

We strive to keep costs low for our clients, we select low-cost custodian(s) and as a result individual transactions do not penalize our clients.

Item 13 *Review of Accounts*

- A. Our firm reviews client accounts on a quarterly basis. As part of the review, the portfolio holdings are reviewed to see if any of the positions should be reduced or sold in full and replaced with new investments. Tax considerations are also taken into account. Reviews are conducted by Adib Motiwala.
- B. When investment opportunities become available for purchase, accounts may be reviewed more frequently. Also, if a security that is held in our clients’ accounts reaches our appraisal level, we review the clients’ account for possible dispositions.

- C. Clients can elect to receive daily and/or monthly account statements automatically from the custodian. These reports provide various details such as current holdings, net account value, trades, unrealized and realized gains/losses, dividends/interest received and investment management fees. Separately, we will also provide our clients a quarterly report that will have a discussion on key transactions and portfolio performance.

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

- A. There is no one providing an economic benefit to our firm for providing investment advice or other advisory services to our clients.
- B. Our firm does not compensate any person for client referrals.

Item 15 ***Custody***

Our firm does not take custody of client funds or securities. Clients will continue to receive account statements from the broker-dealer or custodian.

Item 16 ***Investment Discretion***

Our firm manages investment advisory accounts on a discretionary authority basis, which means that clients provide us with the authority to determine which securities are bought or sold, how much of any security is bought or sold, and all other investment and portfolio management decisions to be made regarding the client's account. If a client wishes to limit this authority, the client must specify the limitations in writing. Clients may amend these restrictions at any time.

We ask each discretionary investment advisory client to provide us with written authority to determine what broker-dealer to use. If a client wishes to limit this authority, the client must specify the limitations in writing. A client may amend these restrictions at any time.

Item 17 ***Voting Client Securities***

- A. Our firm does not accept authority to vote client securities
- B. Our firm does not have authority to vote client securities. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent.

Item 18 *Financial Information*

- A. Our firm does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.
- B. Our firm does not foresee any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.
- C. Our firm has not been subject of a bankruptcy petition at any time during the past ten years.

Item 19 *Requirements for State-Registered Advisers*

- A. This information supplied elsewhere in this Form ADV.
- B. Our firm is not engaged in any other business activities.

- C. Our firm or a supervised person is not compensated for advisory services with performance-based fees. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.
- D. Our firm or a management person has never been involved in one of the events listed below:
 - 1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - (a) an investment or an investment-related business or activity;
 - (b) fraud, false statement(s), or omissions;
 - (c) theft, embezzlement, or other wrongful taking of property;
 - (d) bribery, forgery, counterfeiting, or extortion; or
 - (e) dishonest, unfair, or unethical practices.
 - 2. An award or otherwise being found liable in a civil, self regulatory organization, or administrative proceeding involving any of the following:
 - (a) an investment or an investment-related business or activity;
 - (b) fraud, false statement(s), or omissions;
 - (c) theft, embezzlement, or other wrongful taking of property;
 - (d) bribery, forgery, counterfeiting, or extortion; or
 - (e) dishonest, unfair, or unethical practices.
- E. Our firm or any of our management persons has no relationship or arrangement with any issuer of securities that is not listed in Item 10.C. of Part 2A. All material conflicts of interest have been disclosed.

This brochure supplement provides information about Adib Motiwala that supplements the Motiwala Capital LLC brochure. You should have received a copy of that brochure. Please contact Adib Motiwala if you did not receive Motiwala Capital LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Adib Motiwala is also available on the SEC's website at www.adviserinfo.sec.gov

Motiwala Capital LLC

Form ADV Part 2B – Individual Disclosure Brochure

for

Adib Motiwala

Personal CRD Number: 5875297
Investment Adviser Representative

Item 1 Identification

Adib Motiwala
Individual CRD #: 5875297

Motiwala Capital
2015 Loma Alta
Irving, Texas 75063
Phone: 817-689-5115
Email: adib@motiwalacapital.com
Website: www.motiwalacapital.com

Date of this supplement: October 21, 2019

Item 2 *Educational Background and Business Experience*

Name: Adib Motiwala

Year of Birth: 1977

Education: Bachelors in Computer Engineering, Masters in Computer Science, MBA – Finance.

Background: Adib Motiwala has investment management and information technology experience. He has worked as a software developer and information technology consultant. In the past, he has provided investment research services and project consulting to Centaur Capital Partners LP, a hedge fund based in Dallas.

Item 3 *Disciplinary Information*

There are no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of the supervised person.

Item 4 *Other Business Activities*

- A. This item does not apply.
- B. Adib Motiwala has a full-time employment as an IT Consultant with Deloitte Consulting LLP. The nature of this employment is not related to financial services and has no conflict with him providing advisory services.

Item 5 *Additional Compensation*

- A. There is no one providing an economic benefit to Adib Motiwala for providing advisory services.

Item 6 *Supervision*

This item is not applicable.

Item 7 *Requirements for State-Registered Advisers*

- A. Adib Motiwala has not been found liable in an arbitration claim alleging damages in excess of \$2,500. He has not been found liable in a civil, self-regulatory organization or administrative proceeding.
- B. Adib Motiwala has not been the subject of a bankruptcy petition.