



---

## Investment Advisor Policies and Procedures

### Chief Compliance Officer Appointment

The person herein named “Chief Compliance Officer” (CCO) is stated to be competent and knowledgeable regarding the Advisers Act or applicable state rule or regulation and is empowered with full responsibility and authority to develop and enforce appropriate policies and procedures for the firm. The compliance officer has a position of sufficient seniority and authority within the organization to compel others to adhere to the compliance policies and procedures.

Chief Compliance Officer: Adib Motiwala

Supervisor: Adib Motiwala

### Portfolio Management Process

We are value investors and we seek opportunities that are available at times when stocks are temporarily priced below their intrinsic values. Because prices tend to return to their true values over the long term, this investment style can produce favorable results for patient investors. In addition to buying stocks at below their intrinsic values, we focus on good businesses. By good businesses we mean companies that are profitable, earn high returns on capital, generate free cash flow and possess competitive advantages over the competitors.

Because we seek to provide advisory services only to long-term investors who have a time horizon of three to five years, we tend to structure similar portfolios for our clients.

### Trading of registered investment adviser

- a) *Pre-Clearance.* Firms such as Motiwala Capital LLC, with only one access person are exempt from obtaining preclearance.
  
- b) *Initial and Annual Holding Reports.* Firms such as Motiwala Capital LLC, with only one access person are exempt from reporting, but they must keep records of holdings and transactions. The record must show the name of the security, the quantity owned, the date of the transaction, whether the security was purchased or sold, the price, and the name of the bank or broker-dealer through whom the transaction was effected.



- c) *Conflicting Trades*. 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.
- d) *Blackout Period*. No employee or access person shall purchase or sell a security during a period of three days before and three days after the date on which a client for which he or she is portfolio manager or co-manager, engages in any purchase or sale in such security.
- e) *Initial Public Offerings*. No employee or access person may purchase, directly or indirectly, any security in which he has or because of such transaction acquires, any direct or indirect beneficial ownership and which to his actual knowledge at the time of such purchase or sale, is subject of an initial public offering.
- f) *Private Placement*. No employee or access person may purchase, directly or indirectly, any security in which he has or because of such transaction acquires, any direct or indirect beneficial ownership, if such transaction is not in the open market, or if such transaction is made pursuant to any exemption from the registration provisions of the federal securities laws.
- g) *Principal Transactions*. Neither the adviser nor any employee nor any affiliate may effect a transaction as principal with a client.
- h) *Short-swing trades*. Securities may not be purchased and sold, or sold and repurchased, within 14 calendar days.

## **Trading Practices**

- a) *Best-execution obligations*. Advisers have a fiduciary duty to seek to obtain the best net price reasonably available under the circumstances. Unless clients object, we use



InteractiveBrokers (“IB”) to execute our trades. IB offers the best price. Since our investment philosophy is based on a long-term investment horizon, speed of execution is not relevant. Also since all of our security research is done in-house, we do not rely on any research from the brokerage houses.

- b) *Soft dollars*. 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.
- c) Allocation of aggregate trades among clients. Aggregate trades may be performed if
  - 1) Prior to entering the aggregated order, the adviser prepares a written statement specifying the participating client accounts and how the order will be allocated;
  - 2) If the order is partially filled, it will be allocated pro rata;
  - 3) If the allocation differs from the written statement, the reason for the difference will be explained in writing and approved in writing by the firm’s compliance officer no later than 1 hour after the markets open on the next trading day.

### **Record-Keeping Requirements**

Required records that investment advisers are legally required to maintain are detailed below.

- 1) Ledgers (or other records) reflecting all assets and liabilities, income and expense, and capital accounts;
- 2) A record showing all payments received, including date of receipt, purposed and from whom received, and all disbursements, including date paid, purpose and to whom made;
- 3) A record showing all receivables and payables;
- 4) Records showing separately for each client the securities purchased or sold, and, to the extent it has been made available to the investment adviser, the date and mount of and price at which such purchases or sale were executed. If available to the investment adviser, this record should also show the name of the security dealer how handled the transaction;
- 5) Records showing separately all securities acquired by the clients of the investment adviser and indicating thereon the proper identification of this individual account, the date, amount and price at which such securities were purchased or sold by or for each client; or , in the alternative, a record showing all securities (other than securities enumerated in Section 3.A of the Act) bought or sold by or for the accounts of all clients of the investment adviser in each month, the total number of shares or principal amount of each security bought or sold and the lowest and highest price at which purchases or sales were made during the months;
- 6) Copies of dealer’s confirmations of all transactions placed by the investment adviser for any



account, and the other dealer's confirmations as may be supplied to the investment adviser by a client or dealer;

- 7) A list showing all accounts in which the investment adviser is vested with discretionary power, unless the records required by subsections (a)(4) and (5) of this Section are maintained in such manner as to disclose which are discretionary accounts, provided that the provisions of subsections (a)(4) and (5) of this section shall not apply;
  - a) To any securities with respect to which the investment adviser renders no services of a supervisory or other nature; or
  - b) To any securities or transactions which a client declines to disclose to the investment adviser;

And provided further that the provisions of subsections (a)(4), (5), (6), and (7) above shall not apply to the accounts of any investment adviser where the services consist solely of the distribution of written or printed publications on a subscription basis.

#### Additional Records

- 1) Every investment adviser registered by the Secretary of State shall preserve for a period of not less than 3 years, the first 2 years in an easily accessible place, all the records mentioned above and the following additional records:
  - a. All check books, bank statements, cancelled checks and cash reconciliations;
  - b. All bills or statements (or copies thereof), paid or unpaid, relating to the business of such investment adviser;
  - c. Originals of all communications received and copies of all communications sent by such investment adviser relating to the business of the investment adviser;
  - d. All power of attorneys and other evidence of the granting of any discretionary authority in any account, and copies of resolutions empowering an agent to act on behalf of any client;
  - e. All written agreements (or copies thereof), entered into by an investment adviser relating to the business of the investment adviser, including agreements with respect to any account, which agreements shall set forth the fees to be charged and the manner of computation and method of payment thereof.
- 2) For a period of not less than 3 years after the closing of any client's account, all required records relating to such account shall be preserved by every registered investment adviser.
- 3) Every registered investment adviser shall preserve, during the life of the enterprise and of any successor enterprise, all partnership agreements, certificates or articles, or, in the case of a corporation, all article of incorporation or charter, minute books and stock certificate books.
- 4) After a record or other document has been preserved for 2 years, a photograph thereof on film may be substituted for the balance of the required time.

#### Advertising



Advertising includes any communication addressed to more than one person and any notice or announcement in any publication or on any form of media. We are required to follow the following rules

- a) Advertisements may not contain any untrue statement or material fact or any other statement that could be interpreted as being false or misleading.
- b) Advisers may not make statements in their advertisement that any report, analysis, or other service is free unless it is actually free and there is not further obligation on the part of the client or potential client.
- c) Advertisements may not contain any graph, chart, formula, or other device reputed to show which securities to buy and which to sell, or represent that such graph, chart, formula, or other device assists in the decision-making process without also disclosing the limits of the graph, chart, formula, or other device.
- d) Advisers may not use any testimonials in their advertising.

### **Protection of Nonpublic Information**

As investment advisors we have access to substantial amounts of nonpublic information. This information is generally related to the holdings of our clients in their advisory accounts, and the timing and pricing of purchases and sales of securities in our managed accounts. We treat this information as privileged information and do not share this with the non advisory clients (brokerage or discount brokerage clients) of the firm.

### **Supervisory Procedures**

**Supervisor:** Adib Motiwala is designated to supervise the investment adviser representatives (IAR). Currently, Adib Motiwala is the sole IAR and the Chief Compliance Officer (CCO)

**Registration, Hiring and Training:** The CCO shall be responsible for handling the registration and supervising training of all the IARs of the firm.

The CCO will review all new hire U4's and ensure they are properly registered with the state(s). The CCO will maintain a list of all current and past employees of the firm as well as the reason for their termination as documented in the form U5; and The CCO shall be responsible for training and educating supervised persons regarding the Code of Ethics. Training will occur periodically as needed and all supervised persons are required to attend any training sessions and read any applicable materials.

### **Correspondence and Complaint Review:**



The CCO will review all client correspondence for complaints and respond to them immediately as they are made by clients.

The CCO will communicate with a client via telephone, face-to-face meetings, and/or email to resolve all complaints and client issues;

The CCO will maintain a compliant file. This file will contain each client complaint, including, but not limited to, any letter, email, or document from a client who has filed a complaint; any letter, email, or document from any agency regarding the complaint; any communication sent from the Investment Adviser to any client, agent, agency, or third party regarding each complaint; notes on telephone communications if any with the client and/or associated individuals; and documentation of how each complaint was resolved; and

The CCO will take the necessary steps to ensure all incoming and outgoing correspondence is maintained in a correspondence file.

### **Disclosure Document Review**

The CCO is responsible for keeping the ADV and other disclosure documents current. The CCO shall file amendments to Part 1A of the form ADV with IARD within 90 days of the firm's fiscal year end. Material changes to Part 2A and 2B shall be made promptly and the updated brochure shall be delivered to all prospective clients via email and offered to existing clients on an annual basis.

### **Branch Office Audit**

Currently the firm has only one office location. Annually, the office location will be audited by the CCO to ensure safety of records and that policies and procedures as outlined in this manual are being followed.

### **New Account Review**

After a new client signs up for services with the firm, the CCO will ensure that the Advisory Agreement is completed and signed by both parties. The CCO will review the Client profile questionnaire to ensure that the client and Advisor are a good fit for each other based on objectives and risk tolerance.

### **Client Account Review**

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 the CCO.

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.

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.

### **Handling of Funds/ Securities**

It is the policy of the firm to NOT take custody of client funds/securities. All funds/securities are handled by the custodian. Clients may deposits and withdrawal requests directly from the custodian via its website. Our firm does not accept checks for 3<sup>rd</sup> party including the custodian. Clients are required to fund their accounts directly. Our fees are withdrawn directly from the client accounts. Any checks sent to us will be returned.

### **Electronic Storage of Records**

All records are maintained electronically whether it be Advisory agreements, Disclosure documents, Policies and Procedures, Statements, Performance reports, Presentations, Advertisements, Compliant files and so on. All files are backed up automatically and on a daily scheduled on Google Drive. The access to this back up is password protected. The computer(s) that store these files are also password protected.

### **Privacy Policy**

Client information is stored securely on password protected computers and remotely backed up on Google Drive. Unauthorized access is prevented as access to computers and back up requires authentication via username and password. The CCO is responsible to ensure the confidentiality and integrity of client information. The firm relies on the security procedures and safeguards employed by 3<sup>rd</sup> parties such as the Custodian and Google.

### **Anti-Money Laundering (AML) Policy**

It is the policy of the firm to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities. Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of



criminally derived proceeds so that the unlawful proceeds appear to have derived from legitimate origins or constitute legitimate assets. Generally, money laundering occurs in three stages. Cash first enters the financial system at the "placement" stage, where the cash generated from criminal activities is converted into monetary instruments, such as money orders or traveler's checks, or deposited into accounts at financial institutions. At the "layering" stage, the funds are transferred or moved into other accounts or other financial institutions to further separate the money from its criminal origin. At the "integration" stage, the funds are reintroduced into the economy and used to purchase legitimate assets or to fund other criminal activities or legitimate businesses. Terrorist financing may not involve the proceeds of criminal conduct, but rather an attempt to conceal the origin or intended use of the funds, which will later be used for criminal purposes.

The Chief Compliance Officer has full responsibility for the firm's AML program.